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Korean Affairs Report



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INTER-KOREAN AFFAIRS

PYONGYANG TV ON U.S. NUCLEAR PREPARATIONS

SKGCC0100 Pyongyang Television Service in Korean 1230 GMT 25 Nov 86

[Second and final installment of interview by unidentified Pyongyang TV reporter in the Panmunjom Joint Security Area with three DPRK MAC officers]

[Text] [Unidentified reporter] During the previous hour, the JSA personnel explained, based upon data, how viciously the U.S. imperialists have committed provocations to provoke a new war in Korea. In this hour, please also explain, based upon data, how frantically they are maneuvering to provoke a nuclear war in Korea under any circumstances by vicious challenging to our peace-loving proposals to turn the Korean peninsula into a nuclear-free, peace zone.

[This interview apparently is a direct follow-on to the first installment carried by Pyongyang TV on 24 November [SK300350 and adds), and is conducted in the same room--presumably described in SK300350 Take 1 graf 7--from left to right, KPA Major Pak Im-su, Colonel Hong Song-taek, Lieutenant Colonel Kim Hong-sok, and the unidentified reporter, who acts as moderator]

[Lt Col Kim Hong-sok] The U.S. imperialists have long maneuvered to turn South Korea into a military base--a nuclear base, in particular--because of its military and strategic position. Article D of Clause 13 of the Armistice Agreement stipulates that no new weapons or operational equipment will be introduced from outside Korea during the armistice. However, by flagrantly violating this clause of the Armistice Agreement, the U.S. imperialists have introduced into and deployed in South Korea as many as 1,000 nuclear weapons, to say nothing of other weapons. One nuclear weapon per 100 square km has been deployed in South Korea.

[Col Hong Song-taek] They are deployed very densely.

[Kim Hong-sok] That is right. South Korea is first in the number of nuclear weapons deployed there, and is also first in the density of their deployment. More than half the nuclear weapons the U.S. imperialists have deployed in Asia are found in South Korea. They have deployed nuclear weapons in South Korea four times more densely than they have done in NATO member countries. Because of the U.S. imperialists' maneuvers to turn South Korea into a nuclear base, South Korea has been turned into a colossal nuclear bomb storage facility and into the largest nuclear advance base in Asia.

In connection with this stark reality, in a statement issued last June, the DPRK advanced a proposal to turn the Korean peninsula into a nuclear-free, peace zone. This proposal has won support from a broad spectrum of the world's people. As we all know well, as a result, the Pyongyang international conference was held last September to establish a nuclear-free, peace zone on the Korean peninsula, with the attendance of representatives of many countries and international organizations of the world. I think that removing the danger of a nuclear war on the Korean peninsula poses as an important issue in maintaining peace and security not only in Korea but also in Asia and the world in general. Therefore, the broad spectrum of the people of the world are strongly denouncing the U.S. imperialists' maneuvers to turn South Korea into a nuclear base and to provide a nuclear war in South Korea.

[Reporter] The U.S. imperialists have recently introduced an innumerable number of new nuclear weapons in South Korea, haven't they?

[Hong Song-taek] That is right. The U.S. imperialists have long intentionally maneuvered to provoke a nuclear war in Korea. Every time an opportunity arises, the U.S. imperialist aggressor class has always babbled that it must protect South Korea under the U.S. nuclear umbrella, and is putting its babbling into practice. As has already been reported, the U.S. Department of Defense announced on 14 November that in a few months it will deploy in South Korea a battery of Lance missiles capable of launching nuclear warheads to be used in actual combat. This is a measure taken according to the agreement at the annual Security Consultative Meeting held last April between the United States and South Korea.

In the last 2 years alone, the United States have endlessly kicked up maneuvers to turn South Korea into a nuclear base. The U.S. imperialists have deployed nuclear backpacks--special nuclear destruction bombs--at a U.S. base in Uijongbu, Kyonggi Province, and have also introduced into South Korea numerous F-16 fighter-bombers capable of carrying nuclear bombs. The U.S. imperialists have also deployed a unit called the Rapid Nuclear Response Force in Kunsan. This unit is said to have the mission of supervising nuclear weapons, of assuming a combat posture around the clock, and being ready to go into action with bombers loaded with nuclear weapons in an emergency. As is well-known, the U.S. imperialists have introduced even neutron bombs into South Korea. The United States not only has introduced nuclear weapons into South Korea but also is maneuvering, on a large scale, to build numerous nuclear storage bunkers in South Korea. It has planned to build a nuclear storage base in Mt Kyeryong, Kongju, and 36 special-type nuclear storage bunkers at Kunsan, and is actually executing this plan.

[Maj Pak Im-su] The United States is also viciously maneuvering to provoke a chemical war in South Korea. The United States has already built 11 poisonous gas plants in South Korea. This is a maneuver to provoke a chemical war in Korea. It is also maneuvering to provoke a brutal chemical war in Korea by introducing dual chemical weapons from the U.S. mainland.

[Hong Song-taek] The U.S. imperialists are strengthening their military build-up in such a frantic manner. Early last September, the U.S. imperialists newly formed and deployed the U.S. Seventh Air Force in South Korea. This Seventh

Air Force is allowed to independently perform its duties and is assigned the work of carrying out operational duties by directly taking charge of the airspace of South Korea and its vicinity. There already exists the 134th Flight Wing in South Korea. The wing has been under the operational command of the U.S. Fifth Air Force Command in Japan. The newly formed and deployed U.S. Seventh Air Force has been formed in such a way as to independently perform its operational duties. This alone shows how assiduously the U.S. wretches are preparing to touch off a war in Korea.

In addition to this, the U.S. wretches have drastically introduced up-to-date armored cars, tanks, helicopters, and sophisticated OV-10 aircraft aircraft, and other weapons and operational equipment into South Korea.

[Reporter] As foreign news services have it, South Korea is an exhibition hall of nuclear weapons and murderous arms.

[Hong Song-taek] The U.S. wretches are hellbent on augmenting not only their armed forces but also the South Korean puppet armed forces. They have built up the puppet armed forces by offering military aid, worth far more than \$200 million to the puppets every year. Also, they are maneuvering to drastically increase the puppet armed forces by rendering military aid, 41 percent more than that of fiscal 1986, to the puppets in fiscal year 1987.

[Reporter] The U.S. imperialists are also comprehensively reorganizing the nuclear war command system to provoke a nuclear war in Korea.

[Pak Im-su] That is right. The United States is newly organizing its commanding system to provoke a nuclear war. Regulations once stipulated that if the United States is to provoke a nuclear war in a country, this question shall be discussed at the U.S. National Security Council and the approval of the president shall be required. However, the procedure of endorsement has recently been changed. As a result, the authority to provoke a nuclear war has been given to post commanders.

[Reporter] Regional commanders are authorized to use tactical nuclear weapons at their discretion.

[Pak Im-su] The commanders in each branch in Asia and Pacific are authorized to use the nuclear weapons deployed in this region. The commander of the U.S. forces in South Korea is authorized to use the tactical nuclear weapons there.

Also, the United States has reformed the communications system to provoke a nuclear war. To give an example, an electronic aerial observation post has been installed in Taegu, South Korea. It is an electronic facility aimed at commanding and surveying nuclear war.

Furthermore, the United States is accelerating exercises to provoke a nuclear war in a full-dress manner in South Korea. As you know, the "Team Spirit" war exercise, which the enemy has conducted since 1986, is an exemplary exercise to provoke a nuclear war in Korea. The nature, scale, and content of this exercise is well known. This exercise is a test nuclear war in Korea.

[Kim Hong-sok] That is true. The exercise is, indeed, a test nuclear war.

[Pak Im-su] In particular, what draws attention is that the United States is waging nuclear war exercises in its mainland in simulation of a nuclear war on the Korean peninsula. This is very unusual. To give an example, a secret mock nuclear war was conducted on the U.S. mainland in March 1982 in simulation of a nuclear war on the Korean peninsula.

[Reporter] Furthermore, the joint military maneuvers, which the U.S. and Japanese aggressors have frequently staged in the East Sea, are vicious military drills designed to perpetrate a nuclear war on the Korean peninsula.

[Pak Im-su] All these facts clearly confirm how malicious the United States is maneuvering to provoke a nuclear war in Korea.

[Kim Hong-sok] The U.S. imperialists are loudly prattling about the so-called military balance and the threat of southward invasion, running amok in maneuvers to provoke a new war, a nuclear war in particular. This is nothing but an excuse to hide their crimes.

[Reporter] That is fabricated propaganda.

[Kim Hong-sok] This year alone, our government of the republic has made various peaceful proposals. We set forth the proposal to restrict [chehan] military exercises and, as a practical example, suspended the military exercises in all areas of the northern half [of the republic] beginning on 1 February. Besides this, we put forward the proposal to turn the Korean peninsula into a nuclear-free, peace zone, the proposal to hold talks among those in military authority, and other numerous peaceful initiatives. We recently withdrew some 150,000 military forces from the front line and posts and have mobilized them in grand socialist construction.

This notwithstanding, the U.S. wretches have introduced lethal weapons, including nuclear weapons, and operational equipment into South Korea, opposing our peaceful proposals and initiatives, have extremely aggravated the situation, constantly waging large-scale military exercises simulating an attack against us.

We are constantly watching, with alertness, these war provocation maneuvers of the U.S. imperialist and South Korean puppets. If the U.S. imperialists persist in war provocation maneuvers in defiance of our warnings, they will not be able to escape from the strong denunciation of the world's people.

[Reporter] If the U.S. imperialists perpetrate a new war, a nuclear war, in Korea, they will be burnt to death in the flames which they have ignited and will not extricate themselves from the depths of permanent ruin. Such being the case, the U.S. imperialists must act with discretion.

We now conclude the second round of the roundtable talks with MAC members. Thank you very much.

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CSO: 4110/053

INTER-KOREAN RELATIONS

SEOUL DAILY: JESSE JACKSON CALLS OLYMPICS CHANCE FOR REUNIONS

SK140136 Seoul THE KOREA HERALD in English 14 Dec 86 pp 1, 4

[Text] Panmunjom—The Rev. Jesse Jackson, who once ran for the U.S. Democratic presidential nomination, said yesterday the 1988 Seoul Olympics will be an occasion to promote the unification of Korea and the reunion of divided families.

Visiting the truce village, Jackson said, "If we succeed in the 1988 Olympics, we can speak of one Korea."

"I hope South and North Korea come here for dialogue, embrace each other and the two will become one again," he said.

Expressing hope that the Demilitarized Zone will be a "Peace Zone," he said the 1988 Olympics is supposed to be a festivity of all the people in the world regardless of race, color or religion.

Asked if he would run in next U.S. presidential election, Jackson said, "I have not yet made that decision."

Meanwhile, Jackson said Friday that keeping security on the Korean peninsula is a "firm policy" and "major concern" of the United States.

In a news conference at Kimpo International Airport, Rev. Jackson emphasized that respect for human rights is the most important factor in maintaining peace in Korea.

Jackson said he hoped to meet with leaders of political, financial, religious, academic and student circles during his three-day stay here.

Invited by the Korean National Council of Churches, Jackson arrived in Seoul Friday morning from Japan, where he participated in a campaign protesting Japan's system of fingerprinting foreign residents. He was accompanied by a 12-member entourage.

In a reception held at the Korea Press Center with the country's religious leaders later in the day, Jackson stressed that domestic tranquility must be achieved by including all the members of society in the political process.

"No nation can foster the principle of freedom with an economic surplus and a moral deficit," he said, adding that justice is essential for peace.

Touching on the bilateral trade issue between Korea and the United States, Jackson said that the trade imbalance between the two countries needs to be reassessed.

"We want free, fair and reciprocal trade, without barriers to trade or infringements on the rights of U.S. producers, as in the area of computer software," he said.

Among those present at the afternoon meeting were the New Korea Democratic Party president Yi Min-u, Yi Man-sop, president of the Korea National Party and opposition leader Kim Tae-chung.

Jackson, who was a Democratic Party's presidential candidate in 1980, heads the National Rainbow Coalition, a private organization aimed at promoting racial equality in the United States.

While in Seoul, Jackson met with Prime Minister No Sin-yong and other government leaders. He also received an honorary doctorate in law from Hanyang University.

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CSO: 4100/077

INTER-KOREAN AFFAIRS

STATEMENTS BY U.S. LAWYER FAULKNER REPORTED

Calls South Korea 'U.S. Military Base'

SK170414 Pyongyang KCNA in English 0403 GMT 17 Dec 86

[Text] Pyongyang 16 December (KCNA)—South Korea is a military base of the United States, said U.S. lawyer Stanley Faulkner who had participated in the Pyongyang International Conference for denuclearisation and peace on the Korean peninsula at a press conference after his return home.

A U.S. television recently reported the press conference.

At the conference he stressed: We should realise that if a conflict breaks out in Korea it will certainly be spread to all parts of the globe and will not be a regional conflict involving the North and the South of Korea but one sweeping the whole world.

Answering the question whether it is true that North Korea has no nuclear weapons, whereas there are many in South Korea, he said:

There is not a piece of nuclear weapons in North Korea and there is not a foreign soldier there. In fact, North Korea is reducing even its own military strength.

It took the step of sending 150,000 soldiers to the peaceful construction sites by reducing its army last September.

This country has become a country where there is neither unemployment nor tax under the leadership of President Kim Il-song.

In the true sense of the word, this country serves people and will allow no war. It is carrying on construction not for destruction. This is as clear as noonday.

Noting that the United States should direct due attention to the settlement of the Korean question, Stanley Faulkner said it refuses to regard the Korean problem as an immediate one.

It prosecuted a war for three years in Korea. It, therefore, must direct due attention to the solution of the Korean problem.

South Korea is a military theatre in the real sense of the word and a U.S. military base where over 40,000 U.S. troops are stationed.

Supports DPRK Peace Proposals

SK170443 Pyongyang KCNA in English 0417 GMT 17 Dec 86

[Text] Pyongyang 17 December (KCNA)—U.S. lawyer Stanley Faulkner held that the "resolution" submitted to the U.S. Congress this year proclaimed by the U.N. General Assembly an international year of peace should demand the withdrawal of the U.S. troops and nuclear weapons from South Korea which aggravate the tension not only on the Korean peninsula but also in the world.

The content of the resolution slandering the DPRK submitted to the Congress by member of the House of Representatives Solomon is based on rumours inconsistent with truth, he said.

In his letter refuting Solomon's resolution Stanley Faulkner noted that the DPRK put forward a proposal to hold tripartite talks among the North and the South of Korea and the United States and many other proposals for the peaceful reunification of the country but the North-South talks were suspended by the "team spirit" military exercises.

DPRK's troops have been mobilized in such construction projects as the West Sea Barrage and in September more than 150,000 soldiers advanced into peaceful construction, the letter said, and continued:

The DPRK declared more than once that it has no intention to invade the South.

There are neither nuclear weapons nor foreign troops in the North.

In June the DPRK government advanced a proposal to create a nuclear-free, peace zone on the Korean peninsula. This will contribute to easing world-wide tensions.

Proving with detailed materials the tricky nature of the "tunnelling case" and Rangoon incident advertised by the South Korean puppet clique, the letter cited facts that the United States has obstructed a peaceful solution of the Korean question in every way, wantonly violating the Korean armistice agreement and staging frantic war exercises in South Korea.

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CSO: 4100/080

INTER-KOREAN AFFAIRS

CPRF DENOUNCES U.S. REMARKS ON 'SECURITY COMMITMENTS'

SK240437 Pyongyang KCNA in English 0427 GMT 24 Dec 86

[Text] Pyongyang 24 December (KCNA)—U.S. imperialist war maniacs who flew to Seoul cried that someone's "psychological warfare" must "be countered" and there came from Washington the outbursts that "security commitments" between the United States and South Korea "will continue to be strengthened" in 1987 and "there is no more powerful security commitment than the presence of the U.S. ground forces."

The secretariat of the committee for the peaceful unification of the fatherland published its information No. 370 denouncing this on 23 December.

Branding these outpourings of the U.S. imperialists as vicious attempts to "legalise" the occupation of South Korea by their aggression forces and their continued arms buildup and find a pretext for the provocation of another war, the information says:

The DPRK government has put forward a number of proposals to ease tensions and guarantee peace on the Korean peninsula and taken one reasonable step after another for their realisation.

The U.S. imperialists, however, far from accepting our fair and realistic proposals, set afloat false rumours about "invasion from the North" by their trite method and continue instigating the South Korean puppets to confrontation and war, seeking heightened tensions.

All the facts furnish clear proof that the "relaxation of tensions" and "dialogue" trumpeted about by the U.S. imperialists are sham and, in actuality, they are pursuing confrontation and tensions with the intention to provoke a war any time on the Korean peninsula.

The U.S. imperialists should immediately stop their reckless acts of encouraging the South Korean puppets with the false propaganda of "invasion from the North" and making haste with preparations for a war of aggression against our people and withdraw from South Korea all their aggression forces including the U.S. troops and nuclear weapons without delay, as demanded by the South Korean people.

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CSO: 4100/080

INTER-KOREAN AFFAIRS

KCNA REPORTS APPEAL OF HAVANA CONFERENCE

SK161043 Pyongyang KCNA in English 1022 GMT 16 Dec 86

[Text] **Pyongyang 16 December (KCNA)—**The conference of political parties of all America for supporting the independent and peaceful reunification of Korea held in Havana appealed to political parties, governments and parliaments of all countries of the world and international organisations to strive to create conditions favourable to the independent and peaceful reunification of Korea.

The appeal to political parties, governments and parliaments of all countries of the world and international organisations which was adopted at the conference on 13 December stressed that the only way of removing the danger of war from the Korean peninsula is to realise the independent and peaceful reunification of Korea.

It emphasized the following questions in particular:

Let us make active efforts to create conditions favourable to the independent and peaceful reunification of Korea.

We demand the realisation of the DPRK-U.S.-South Korea tripartite talks so as to sign a peace agreement between the DPRK and the United States and adopt a non-aggression declaration between the north and the South of Korea.

Let us make the United States withdraw its troops and nuclear weapons from South Korea, see that the North and South of Korea totally remove military confrontation and that the Korean peninsula is turned into a nuclear-free, peace zone.

We support all efforts to get Korea reunified on the principle of independence, peaceful reunification and great national unity.

Let us support the most reasonable and realistic proposal to reunify Korea by means of founding the Democratic Federal Republic of Koryo, leaving intact the ideologies and systems existing in the North and South of Korea.

Let us reject the "two Koreas" plot which may perpetuate the division of the Korean nation.

Let us reject the schemes of the United States and the South Korean authorities for the "simultaneous entry into the United Nations" which may fix the division of Korea.

We call for the co-hosting of the 24th Olympic Games by the North and South of Korea.

Let us strengthen international solidarity with the South Korean people in their anti-U.S. struggle for independence and anti-fascist struggle for democracy.

Let us support and encourage the South Korean people, students and the "South Korean National Democratic Front" in their anti-U.S., anti-dictatorial and anti-war struggle under the banner of independence, democracy and peaceful reunification.

Let us intensify propaganda and solidarity movement for supporting the independent and peaceful reunification of Korea and the denuclearisation of the Korean peninsula.

If the world progressive forces and the Korean people pool their efforts in this struggle, peace in Korea and her peaceful reunification beneficial to the peace and security of the world will be achieved.

The conference expressed the hope that political parties, governments and parliaments of all countries of the world and international organisations and all the honest-minded peoples, aware of their glorious mission, will merge their voices and efforts to promote the just cause of the independent and peaceful reunification of Korea.

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CSO: 4100/080

INTER-KOREAN AFFAIRS

FOREIGN DELEGATES SPEAK AT HAVANA CONFERENCE

SK170447 Pyongyang KCNA in English 0424 GMT 17 Dec 86

[Text] Pyongyang 17 December (KCNA)--Delegates of political parties of various countries and international organisations and public figures of all strata made speeches at the conference of political parties of all America for supporting the independent and peaceful reunification of Korea held in Havana.

Guy Dupre, secretary general of the International Liaison Committee for the independent and peaceful reunification of Korea, denounced the United States' "two Koreas" plot. The Workers' Party of Korea and the government of the Democratic People's Republic of Korea, he said, put forward the proposal to hold tripartite talks, the proposal to convert the Korean peninsula into a nuclear-free, peace zone and many other peaceful proposals for a peaceful solution of the Korean question and have made sincere efforts for their realisation.

Eloy Torres, chairman of the Latin American and Caribbean Regional Committee to Support the Reunification of Korea, condemned the scheme to hold the 1988 Olympic Games in Seoul only, a product of the "two Koreas" plot and actively supported the efforts of the Korean people, youth and students to convert the Korean peninsula into a nuclear-free, peace zone and hold the 13th world festival of youth and students in Pyongyang.

Recalling that President Kim Il-song advanced most reasonable and just proposals for Korea's reunification on over 200 occasions, Jose Francisco Aguilar Bulgarelli, general secretary of the popular force organized in Costa Rica, stated that people, political parties and public organisations of all countries that love justice and peace should express active solidarity with the Korean people's cause of national reunification.

Jaime Perez, deputy general secretary of the Communist Party of Uruguay, said that the Chon Tu-hwan puppet clique is trying to abuse the Olympics for its insidious political purpose. He expressed support to the DPRK's cohosting proposal.

John Lindsay, member of the Central Committee of the Communist Party of the United States of America, demanded that the Bellicose policy of the Reagan Administration, which refuses to accept many peaceful proposals of the DPRK, be rectified.

Kenneth Denny, senior executive secretary of the People's National Congress of Guyana, stressed that for the independent and peaceful reunification of Korea the foreign troops must be withdrawn from the Korean peninsula and it be converted into a nuclear-free, peace zone.

Socorro Galan, delegate of the Sandinist National Liberation Front of Nicaragua, declared: the Sandinist National Liberation Front, the revolutionary government, the army and people of Nicaragua have always supported and will support all the proposals and efforts of the party and the government of Korea to reunify the country in a peaceful way.

Guillermo Torello, president of the Anti-Imperialist Tribunal of Latin America, said that the current smear campaign of the U.S. imperialists and the South Korean puppets against North Korea over the construction of the Kungangsan power station is aimed to obstruct the building of socialism in North Korea and the struggle of the Korean people for the reunification of the country.

Benigno Chirinos, member of the Political Commission of the American Popular Revolutionary Alliance of Peru, stressed: Our alliance expresses full support to the correct policy of national reunification put forward by respected Comrade Kim Il-song and dear Comrade Kim Chong-il.

Rigoberto Padilla, general secretary of the Communist Party of Honduras, declared: We strongly denounce all moves including the "Team Spirit" joint military exercises perpetrated by the U.S. imperialists against the DPRK.

Silvino Varela, member of the Political Committee of the Communist Party of Venezuela, stated: In order to terminate the division of Korea the U.S. troops must be forced out of South Korea and schemes to form the Washington-Tokyo-Seoul triangular military alliance be checked.

Jose Gaspan, chairman of the Paraguayan Liberation Movement, noted that the world supports all the struggles and efforts of the Korean people firmly rallied around the great leader President Kim Il-song to put an end to the division of the country and build a progressive and independent society.

Gustavo Osorio, member of the Political Committee of the Communist Party of Colombia, expressed support to the Korean people's cause of reunification and extended militant greetings to the South Korean people in their heroic struggle to overthrow the Chon Tu-hwan fascist clique and achieve the democratisation of south Korean society.

Humberto Vargas Carbonel, general secretary of the People's Vanguard of Costa Rica, said: Our vanguard actively supports the Korean people in their struggle for the independent and peaceful reunification of Korea.

Humberto Ramirez, member of the Political Committee of the Bolivian Communist Party, pointed out: The Bolivian Communist Party is convinced that the proposal to found the Democratic Federal Republic of Koryo put forward by Comrade Kim Il-song is the only one making it possible to reunify Korea in a peaceful way.

Hector Castro, member of the Political Committee of the Communist Party of Ecuador, denounced the U.S. imperialists for persistently resorting to the "two Koreas" plot. He stressed: The Communist Party of Ecuador fully supports the national reunification policy of the Workers' Party of Korea and all its steps for a durable peace in the world and will continue to strive for their realisation.

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CSO: 4100/080

INTER-KOREAN AFFAIRS

NORTH'S KUMKANG DAM PROJECT ANALYZED

Seoul KYONGHYANG SINMUN in Korean 30 Oct 86 p 3

[Article by reporter Kim Ui-t'ae]

[Text] The Mt Kumkang hydroelectric power plant which North Korea plans to construct is causing concern and worry because the size of the plant is well in excess of any economic justification. Furthermore, its location is less than 10 km north of the Demilitarized Zone and when the dam is built, we will be in the position of someone sleeping with an iron weight hanging from the ceiling.

It is common knowledge that when a dam is built, the amount of reservoir water should be kept in balance with the annual water inflow in order to best utilize the water resources. However, the particular characteristics of this hydroelectric dam, such as 20 billion tons of reservoir water, or 10 times the annual water inflow of 1.8 billion tons, a reservoir which will take more than 10 years to fill with water and a dam at least 200 meters high, means that the vast submerged area will create larger incidental expenses apart from the normal construction expense, such as moving residents of the submerged area.

Also, the annual inflow of usable water is a mere 1.8 billion tons, no more than 10 percent of the total reservoir capacity, so that 90 percent of the reservoir water would be wasted. In addition, considering the fact that the normal rate of utilization of hydroelectric power installations is about 55 to 60 percent, the rate of utilization of this power plant is expected to be very low. Furthermore, the estimated construction expense is at least 1.4 trillion won even though North Korea is capable of mobilizing a large scale labor force without pay.

With this enormous investment, the return is a mere 21.284 billion kilo watts per hour of electricity production and an additional water supply for agro-industrial and residential uses in the eastern industrial areas surrounding Wonsan. Thus, the project is very uneconomic in terms of its investment effect.

The fact that North Korea is proceeding with construction of the Mt Kumkang hydroelectric power plant in spite of all these obstacles permits us to assume

that they have ulterior motives besides utilizing the water resources in this area, namely, that of blocking the water flow of the source of the North Han River.

The North Han River, which is the construction site of the dam for this power plant, is the main source of the Han River, which is the lifeline of the central area of our nation.

The fact that part of the source of the Han River lies in North Korea weakens our position and can cause a serious situation in time of emergency. This is because water resources can be used for military purposes by storing, draining and discharging over the long and short term as needed.

Actually, North Korea blocked the flow of irrigation water and interrupted electricity supplies to Yonpaek plain in 1947 and blocked the water discharge of Hwachon hydroelectric power plant in 1948, thus causing serious harm to us.

There is a strong possibility that North Korea will use this method of artificial restriction of the source of the North Han River as new leverage against South Korea.

Experts have indicated that, if North Korea really needs water in its eastern region, it would be much better off by developing Yonghung and Chinhung Rivers with only one fifth of the 320 billion won construction cost for the Mt Kumkang hydroelectric power plant.

Water resource development of North Korea in the 1970's has concentrated on the rivers that flow into the west coast to supply water for agro-industrial uses.

North Korea, entering the 1980's, and faced with a water shortage for industrial and residential uses in the vicinity of the Taetong River where large population and industries are centered, has set up a comprehensive development plan for the Taetong River. This plan has been presented to the outside world in North Korean propaganda as economically motivated in that it includes the construction of 22 dams on the Taetong River and its tributaries, thus permitting control over water levels and increased water supplies for residential and agro-industrial uses.

In fact, however, experts indicate that more than these economic objectives, this plan emphasizes military purposes such as compensating for weak points in naval strategy by connecting the east and west coasts and defending Pyongyang from a possible coastal attack from the west by building Nampo Lock. North Korean policy toward water resource development is basically different from ours in that our objectives are to prevent flood damage and water contamination around the cities.

On the other hand, there is concern that in the event of a collapse of the Kumkang dam after it is completed, its enormous reservoir of water would be released to the lower part of the North Han River, thus causing enormous damage in our metropolitan and other central areas.

Not necessarily in the worst scenario but even in normal circumstances, this dam construction will cause a change in the amount of water flow. In some cases the water level may rise due to increased water flow and in others it may go down due to decreased water flow, and in each case the effect would be quite the opposite of the other.

Generally speaking, in case of an increase in the river water level, phenomena such as soil erosion, severe soil accumulation, humidity increase and prolific reproduction of plankton occur. In case of a decrease in the river level, phenomena such as drying up of coastal areas, wind erosion and severe daily temperature variations occur. These climate changes cause the death of plants living in the water.

In the case of the North Han River, if the water level drops significantly, trees will wither and die and if the river is flooded, severe erosion will occur and this silt will cause water in the Hwachon dam reservoir to become contaminated and turbid, making the water unusable for drinking. Also, the recent construction on Lake Choyang in this area has caused severe variations in daily temperature, more frequent foggy days and a sudden drop in temperature in winter. Therefore, if the Kumkang dam reservoir, which has seven times the water reservoir capacity of Lake Choyang, should ever be finished, there will be more serious changes in atmospheric phenomena. More frequent foggy days will cause a decreased amount of sunshine and increased humidity, thus resulting in crop disease and spreading of various epidemics.

In order to maintain continuous security and safety over the North Han River, we should take appropriate measures to regulate North Korea's unilateral interference with the North Han River, which belongs to both countries.

In the case of the "Ganges River dam conflict" between India and Bangladesh in 1974, India built the Parakada multi-purpose dam in order to divert the flow of the Ganges River into the Hooghly River in India. As a result, an international conflict between the two nations occurred because the decreased river flow during the dry season in Bangladesh (April to May) caused damage to agriculture and the yellow hemp processing industry and because water discharge by India during the rainy season (June to August) caused flooding in the lower Ganges River.

After several rounds of negotiations, the two countries, by reaching an agreement the following April that India could use 80 percent of the Ganges River water during the dry season, succeeded in settling the conflict for the moment, and in 1977, they revised part of the original agreement and concluded a new agreement. When the agreement expired in 1982, both nations made a peaceful settlement by signing a temporary agreement on the common use of the Ganges River and by establishing a joint economic committee.

Other examples of such peaceful settlements of similar conflicts include the Parana dam construction conflict among Argentina, Brazil and Paraguay in 1977 and the Lauca River hydroelectric power plant construction conflict between Chile and Bolivia.

Regarding the construction of the Mt Kumkang hydroelectric power plant, we should find appropriate measures to deal with North Korea concerning the

problems of legal conditions of use of the source of the North Han River and damage liability arising from use of the plant, by invoking precedents concerning peaceful methods of use of international rivers.

If North Korea argues that the construction of the Kunkang dam is not an international problem but a domestic concern, we could ask cooperation from North Korea in order to mutually enjoy certain benefits invoking the good neighbor policy in their domestic private law. However, the fastest way to solve this problem is for North Korea to interrupt its unilateral construction plan.

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INTER-KOREAN AFFAIRS

SEOUL DAILY VIEWS FUND RAISING FOR 'PEACE DAM'

SK130202 Seoul THE KOREA HERALD in English 13 Dec 86 p 8

[Editorial: "'Peace Dam' Campaign"]

[Text] The formation of a pan-national committee to support building the "Peace Dam" will provide a major impetus to the ongoing campaign to raise funds for the proposed project to counter the hazard to be posed by a massive reservoir being constructed by North Koreans just north of the Demilitarized Zone.

Representatives of the business community, the press, academia and many other professional associations and interest groups got together to rally the national opinion and private resources behind the cause of erecting the bulwark on the upper reaches of the northern Han River.

Earlier in late November the government declared a plan to build a counter-dam necessary to defend the country from a dire threat presented by the Kungangsan dam designed to stem and overflow the river that originates in the North.

When the sinister scheme of the Pyongyang hierarchy was made known, people in the South of the Korean peninsula were justly shocked and enraged at the ulterior motive of North Korean Communists in undertaking the senseless project.

It has been argued and demonstrated time and again by specialists that the North Korean dam is technically risky and economically impractical unless it is meant for military purposes of deluging the central section of South Korea.

The Seoul government has repeatedly urged Pyongyang to stop the dam construction and start bilateral negotiations on the issue. But North Korea has turned a deaf ear to the demand.

We are still ready to discuss all matters involved in the utilization of the resources of rivers that flow through the two parts of Korea. An open-minded dialogue and amicable settlement would relieve both the South and the North of the heavy burden of financing the large superfluous dams on both sides of the border.

This would prove to be in the interest of the entire Korean people. International accords and practices show that all countries bordering a common river are entitled to due consultations and mutual agreement on the use of such a river. So far North Korea failed to respond to our call in any way.

Thus, the government has begun the necessary preparations for the counter-project including the budgeting of funds and engineering studies. Our media outlets have launched a nationwide fund-raising drive to support the construction with the enthusiastic participation of the general public. We will have to push ahead with the building plan unless North Koreans scrap their provocative design immediately.

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CSO: 4100/077

INTER-KOREAN AFFAIRS

PYONGYANG TALK ON SOUTH'S ANTICOMMUNIST POLICY

SK240030 Pyongyang Domestic Service in Korean 0834 GMT 21 Dec 86

[Unattributed talk: "Anticommunist National Policy Is the Logic of Confrontation and War"]

[Text] The great leader Comrade Kim Il-song has taught: The U.S. imperialists and the persons in authority in South Korea, while branding the South Korean youths, students, and opposition personages who have risen up in struggle as procommunist elements, are now deliberately kicking off anticommunist confrontational commotions against the northern half of the republic and whipping up war fever as part of their last-ditch efforts to find a way out of the political crisis facing them.

The political situation on the Korean peninsula at present is very unstable. Because of the anticommunist and anti-republic commotions being kicked off maddeningly by the puppet Chon Tu-hwan ring, the acute situation created on the Korean peninsula shows no sign of improvement at all, and instead is growing from bad to worse with the passage of time.

The anticommunist and anti-republic commotions being kicked off by the puppet Chon Tu-hwan ring serve as a great factor that jeopardizes peace, exacerbates tension, and increases the danger of war on the Korean peninsula. The puppet Chon Tu-hwan clique, giving priority to its anticommunist national policy, assumes it as the key to all policies. It not only regards differences in ideology, ideals, and systems existing in the North and South as being absolute, but it also hates its fellow countrymen in the northern half of the republic, showing more hostility to them than it would to some other people.

Noisily prattling that there is no need to distinguish one people from another in the annihilation of communism, or that the cause of annihilating communism should be given priority before considering the nation, the puppet Chon Tu-hwan clique is now openly encouraging fratricide. The anticommunist national policy advocated by the puppet Chon Tu-hwan clique, a product of the so-called theory of defeating communism—that is, to make our republic cease to exist by using force, along with its system—is thoroughly the logic of confrontation, meaning going to war against fellow countrymen, as well as the logic of war. No matter how great the differences in ideology, ideals, and systems between the North and South may be, such differences should not be allowed to expand to the point of war and, in fact, it cannot be a cause for fighting between people of the same blood.

If there is a willingness to reasonably tackle the problems arising between the North and South and a willingness to promote harmony and confidence, confrontation and war can amply be avoided and living can be peaceful. People at home and abroad unanimously now hope that practical measures can be taken to ease tension on the Korean peninsula and to guarantee peace there.

In response to the noble aspirations of the people at home and abroad, we have put forward countless reasonable initiatives out of a high sense of responsibility to root out animosity and confrontation between the North and South, to prevent war on the Korean peninsula, and to guarantee peace and stability there.

Since the beginning of this year alone, we have put forward such new peace proposals as the issue of halting military exercises to successfully conduct the North-South dialogue, the issue of holding military talks between those holding real military authority who are directly responsible for matters concerning tension on the Korean peninsula, and the issue of turning the Korean peninsula into a nuclear-free, peace zone.

Instead of responding to our peaceful initiatives as they deserve, the puppet Chon Tu-hwan clique is now leading the situation in the country further toward the brink of a dangerous war by conducting uninterrupted adventurous war exercises of various descriptions, including the "Team Spirit" joint military exercises.

The Chon Tu-hwan puppet clique has turned South Korea into a U.S. imperialist base of military aggression and a nuclear forward base, continuously begging the U.S. imperialists to perpetually occupy South Korea, under the pretext of anticommunism as a state policy. The U.S. imperialists and the Chon Tu-hwan puppet clique not only have deployed some 1,000 nuclear weapons of various types and nuclear-delivery means in South Korea, but are continuously bringing in lethal weapons designed for a nuclear war. In particular, they have recently decided to deploy Lance missiles, which are a weapon of mass destruction capable of launching neutron bombs and chemical bombs, in South Korea.

The Chon Tu-hwan puppet clique not only reorganized the puppet armed forces in conformity with the requirements of the so-called offensive strategy to defeat the northern half of the republic swiftly together with the U.S. Army, but also has deployed 80 to 90 percent of them in the forward area near the Military Demarcation Line, maintaining a high combat readiness to invade the northern half of the republic any time they choose.

The Chon Tu-hwan puppet clique's frenzied anticommunist and anti-republic commotions are further aggravating the extremely tense situation on the Korean peninsula. The prevailing tense situation possesses the danger that a local conflict can drive the entire country into a dreadful blaze of nuclear war. If a war breaks out in Korea as a result of the anticommunist policy which the Chon Tu-hwan puppet clique has been persistently pursuing, it will readily cross the boundary of the Korean peninsula and spread into a global thermonuclear war, and our people and the people of the world will suffer irreversible horrible sacrifices.

To prevent the danger of war on the Korean peninsula and make the situation sound is a serious problem which not only concerns the Korean people but which is closely connected with the fate of peace in Asia and the world.

With the U.S. imperialists' active behind-the-scenes manipulation, the Chon Tu-hwan puppet clique is now persistently engaged in its anticommunist policy to provoke a new war. However, the puppets will gain nothing from it. They will have to suffer only a bitter and miserable defeat from it. Therefore, the Chon Tu-hwan puppet clique should not commit the crime of making the differences between North and South in ideology, ideals, and systems absolute under the signboard of anticommunism as its state policy and attempting to expand it into a war.

Ending hostility and confrontation between North and South and promoting national harmony and trust is an important condition for easing tension and preventing war on the Korean peninsula. As long as the U.S. imperialists' occupation of South Korea continues and the Chon Tu-hwan puppet clique does not abandon its anticommunist policy, tension on the Korean peninsula cannot be alleviated, and, accordingly, the danger of war, which is connected with our nation's vital interest, cannot be prevented. Therefore, in order to improve relations between the North and South and to ensure peace, an end should be put to the U.S. imperialists' occupation of South Korea and the Chon Tu-hwan puppet clique's anticommunist policy, which are the dangerous potential causes of a new war on the Korean peninsula.

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INTER-KOREAN AFFAIRS

WHITE PAPER ON SOUTH'S ANTICOMMUNISM ISSUED

SK210900 Pyongyang KCNA in English 0829 GMT 21 Dec 86

[Text] Pyongyang 21 December (KCNA)—The secretariat of the committee for the peaceful reunification of the fatherland made public a white paper on 20 December denouncing the U.S. imperialists and the Chon Tu-hwan puppet clique for kicking out a frantic anti-DPRK racket while suppressing South Korean students and people, clamouring about the anti-communist "state policy."

Noting that the successive puppets of South Korea started everything from anti-communism given by the U.S. imperialists, their masters, with it as their "state policy" and committed all criminal acts behind the facade of anti-communism, the white paper said:

Anti-communism in South Korea is a tool for arresting the revolutionary advance of the people and keeping the colonial rule of the U.S. imperialists, a shield for blocking the reunification of the country at any cost and pursuing the permanent division of the nation and a means of war manoeuvres against the northern half of the Republic.

The anti-communist "state policy" has been preached most viciously since the traitor Chon Tu-hwan seized power.

At the "presidential inauguration ceremony" on 1 September, 1980, the traitor Chon Tu-hwan prattled: "It is the main political aim of the Fifth Republic to cultivate strength to confront with the North in political, economic, cultural and other realms."

According to South Korean publications, today there are in South Korea nearly 58 anti-communist organs, organisations and institutes such as the "Unification Board," the "Institute of Asian Affairs," "Institute of Communist Affairs," "Anti-Communist Freedom Centre" and a fabulous amount of budget is outlaid to their operation.

Under the anti-communist "state policy" the Chon Tu-hwan puppet clique fabricated the "national security law," "basic law on the press" and many other anti-communist evil laws to back in practice "anti-communism" by the "laws" and reorganized the puppet police suppressive organisation in favour of its anti-communist fascist rule.

Each time the fierce patriotic struggle of students and people for independence, democracy and reunification was unfolded, the South Korean puppets brutally cracked down upon them, with anti-communism as a shield of suppression under the patronage of the U.S. imperialists.

The traitor Chon Tu-hwan committed the 12 December purge in the army to seize power at the point of the bayonet under the pretext that "it was to counter the threat from the North." At the time of Kwangju popular uprising he perpetrated the hair-raising outrages to plunge Kwangju into a sea of blood under the pretext that "operation of the North's infiltration into the South is attempted."

The Chon Tu-hwan fascist clique mobilized massive police force nearly 100,000 strong to check the all-people Seoul rally for the promotion of the constitutional revision for direct presidential election planned by the "New Korea Democratic Party" on 29 November, branding it as "action helpful to the North," and arrested 2,255 patriotic students and people at one time.

The Chon Tu-hwan group is suppressing the fighting students and patriots, holding up a shield of anti-communism and linking it with the North in a far-fetched way. This is a treacherous crime which cannot be justified by anything.

Each time their rule was in a serious crisis, the South Korean puppets cooked up an anti-communist case more craftily to suppress people and stir up a frantic anti-communist confrontation row against the North.

The "campus spying case of students who studied abroad," "campus spying case" and "operative's infiltration case" are all the political tricks invented in a cellar of the "security planning board" to [word indistinct] mounting movement of the South Korean students and people for independence against U.S. imperialism and for democracy against fascism and whip up the anti-communist, anti-North confrontation.

Recently, the traitor Chon Tu-hwan rigged up the "wallpaper case at Seoul University" and "case of attempt to build a Marxist-Leninist Party" to throw South Korea into a terror-ridden atmosphere. He is staging a full-dress repressive offensive, crying that he will uproot the "leftist pro-communist forces" and severely counter even if he has to "proclaim the martial law and give up the plan to host the Olympic Games."

Anti-communism taken by the South Korean puppets as the "state policy" serves to be a means of North-South confrontation and the division of the nation.

Early in the first days of his seizure of power, the traitor Chon Tu-hwan gibbered that "the 80's are a decade of a decisive battle with the North" and that unification should be realised by "prevailing over communism."

Together with the U.S. imperialists, the puppet clique is villainously pursuing the war policy against our republic in accordance with the criminal anti-communist "state policy."

The clique reorganized army units to carry out its offensive operation against the North, formed special units tens of thousands strong with a view to staging "commando operations" in the areas of the northern half and has deployed over 80-90 percent of the U.S. troops and puppet army forces in the advance areas near the military demarcation line.

The South Korean puppets are vociferous about the fictitious "threat from the North" while intensifying their belligerent manoeuvres against the North.

This year alone, the traitor Chon Tu-hwan issued the "alert order" several times to render the situation strained, crying that the North tries to "invade the South" under the cover of leafy shade to foil the Asian Games. A few days ago he instructed all armies to carry on duty in the resolute posture of completing operation plan and engaging in actual war, blaring that the danger is growing that the North may provoke stage by stage in winter this year or next.

The puppet clique is now mobilizing people to hold government-sponsored anti-communist rallies with an anti-communist frenzy against the North, branding our peaceful construction of the Kungangsan power station as a "flooding operation."

But the "threat from the North" is a deceptive farce to whip up the North-South confrontation and war fever. Its falsity has been exposed to the world.

The U.S. imperialists and the South Korean puppets should not resort to their worn-out anti-communism but look straight at the reality and act with discretion.

The secretariat of the committee for the peaceful reunification of the fatherland expresses expectation that all governments, political parties and organisations which love the justice and truth and peace-loving people of the world would actively support [words indistinct] people in their struggle against anti-communism and for national unity and the reunification of [word indistinct] country and raise louder their voices of solidarity with our nation's cause of reunification.

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CSO: 4100/080

INTER-KOREAN AFFAIRS

SKNDF ORGAN CALLS FOR AWAKENING MASSES

SK112304 (Clandestine) Voice of National Salvation in Korean to South Korea
0300 GMT 30 Nov 86

[Article carried in the 15 October edition of KUGUK CHONSON [NATIONAL SALVATION FRONT], the organ of the South Korean National Democratic Front [SKNDF], read by Madame Yun Chong-won from the "Hour for Youths and Students" program: "Efforts Should Be Concentrated on Awakening the Masses"]

[Text] A prerequisite and essential task arising in further accelerating the movement for independence and democracy under the anti-U.S. banner of independence is spiritually arming the masses with the consciousness of national independence. The anti-U.S. movement for independence is launched by the demands of the masses for living independently and is pushed forward by their strength. For this reason, the work of awakening the masses should be carried out to launch, develop, and lead to victory the anti-U.S. movement for independence.

The work of exalting the anti-U.S. and [word indistinct] consciousness of national independence should be primarily conducted in the anti-U.S. movement for independence, democracy, and reunification.

Man acts in accordance with his ideological consciousness. When they have the consciousness of national independence, the masses can launch the anti-U.S. movement for independence. The consciousness of national salvation is the [word indistinct] of the anti-U.S. movement for independence, and awakening work is its first work. The masses do not turn out to the anti-U.S. struggle or the antidictatorial struggle in accordance with someone's impulsive agitation or coercive demands. Since he is a conscious being, man turns out to struggle only after he recognizes his demands and interests. Unawakened masses, even though they are dominated or oppressed by others, cannot resist it but brook it.

Without the course of awakening the masses, therefore, a social movement for independence cannot take place, exist, and develop. For this reason, awakening work is called the [word indistinct] work and starting point of a mass movement. Since the anti-U.S. movement for independence is a movement for the masses and by the masses in South Korea, awakening work should be carried out in the way of a masses-oriented work. Also, this is urgently demanded by the present situation.

The might of a mass movement lies in [word indistinct] and its success or failure depends on whether or not [word indistinct] is set in motion. The question of how many masses participate in the anti-U.S. movement for independence is the question of how many masses have been awakened. Therefore, the awakening movement should, first of all, be masses-oriented to generalize the anti-U.S. movement for independence.

There exists great potential in the South Korean society for the anti-U.S. and antidictatorial campaign for national salvation. Only when the masses are awakened to consciousness at an earlier date can the anti-U.S. movement for independence be generalized and a new phase be pioneered.

These days university students are sending letters to high school students to awaken them to consciousness. This is another desirable method for generalizing awakening work. This awakening work should be expanded to the popular working masses, the urban poor, medium- and small-size merchants and businessmen, religious men, and officers and men of the South Korean Army.

As the scope of awakening work broadens and a variety of classes and strata are included in this work, the content, form, and direction of awakening work should be changed in accordance with this development. Awakening work is not only the work of helping the masses rise up in the anti-U.S. movement for independence, but the essential task of uniting and organizing them. In other words, awakening work is a guideline of the organization of the masses.

As is well-known, the anti-U.S. movement for independence is the confrontation of power between the U.S. forces of aggression and military and fascist dictatorial forces and the democratic and patriotic forces. To win in this confrontation, the democratic and patriotic forces should possess power for supremacy over the other side.

A method to possess this power lies in the unity of the democratic and patriotic forces. At this moment, the unity of the democratic and patriotic forces is even further urged because a great coalition of the conservative forces is being attempted at the instigation of the United States.

The unity of the masses for the anti-U.S. cause of independence should not be a practical combination, but an ideological one. In origin, a foundation for the unity of the masses is commonness in purpose and idea. Unity of the masses which is not based on the [word indistinct] purpose and one idea is inconceivable. Even though the unity of the masses shows a certain type of unity, it cannot be solid and serve as a source of power.

The mass movement for independence is not smooth. Ordeals and turns and twists, though temporary, accompany the movement. Psychological unity inevitably crumbles at this moment. For this reason, unity with the patriotic and democratic forces for the anti-U.S. cause of independence should be aimed at building a national (?independent and democratic) society and should be based on only the consciousness of national independence. Therefore, the awakening work of ideologically arming all masses of all walks of life with the consciousness of national independence is a basis of the unity of the masses.

An idea which should be adopted as the textbook of the work of awakening the masses to consciousness at present is the chuche idea which comprehensively embodies the independent demands and aspirations of the masses. The ideology of unity is the consciousness of national independence which embodies the chuche idea. When the work of awakening the masses to consciousness with the immortal chuche idea as a textbook correctly establishes the consciousness of national independence among the masses of all walks of life, the anti-U.S. movement for independence can advance, with conviction, along its route without wavering in the face of any storm on the basis of the strength of the masses who have been widely united.

Also, awakening work is a course of increasing the will and fighting spirit of the masses. As shown in the past, suppression inflicted upon the anti-U.S. and antidictatorial movement is harsh physically and mentally.

The U.S. aggressors, the pro-U.S. military dictatorship, and their patronized media and fascist hangmen are slandering, defaming, distorting, and criticizing the anti-U.S. movement of the patriotic masses for democratization and indiscriminately arresting, torturing, bringing to trial, and inflicting heavy punishment on those participating in struggle. In particular, they are deceiving the masses in various, stifling [word indistinct], instilling the flunkeyist consciousness of worshipping America and the spirit of depending upon it into their minds, and preaching on the question of adopting reality as an inevitable fate and of expediently living by availing themselves of the trends of the times.

Therefore, the anti-U.S. and antidictatorial struggle is not only a confrontation of power, but also a confrontation of ideological will. Along with the practice of grim struggle, the ideological resoluteness and fighting spirit of not being brainwashed by the reactionary ideological offensives of the aggressors and dictators, of not falling into allurements, and of not yielding to physical suppression are inconceivable apart from awakening work. This is because a chuche-oriented world outlook and value outlook, which meet the intrinsic demands of man, are established and the inevitability of the anti-U.S. movement for independence, [words indistinct], and the strategy and tactics of the movement can be recognized through awakening work. The truth recognized in awakening work is verified and confirmed in practicing the movement and finally becoming [word indistinct]. Awakening work is carried out through the entire course of the movement in which there is beginning, but no end. When awakening work is stopped and neglected, reactionary ideas encroach upon the movement and those who have been contaminated by them lag behind and are separated from the ranks of the movement. This is [words indistinct]. Awakening work should be incessantly continued and deepened. This is a natural demand for the development of ideological consciousness and the development of a social and historical movement.

The role of ideological consciousness is becoming greater as the anti-U.S. and antidictatorial struggle develops. In accordance with the development of the anti-U.S. and antidictatorial struggle, higher goals are set; struggle between the masses and their enemy become more fierce; and the scope of the participation of the masses further expands. This is demanded by the independence,

creativity, and consciousness of the masses. For this reason, awakening work should incessantly develop and deepen as the anti-U.S. and antidictatorial struggle develops and deepens.

Awakening work is [words indistinct]. By availing themselves of all conditions and potentials and by mobilizing all means and methods, the patriotic university students and other students involved in mass movements should concentrate efforts on awakening themselves and the masses to consciousness to advance and win victory in the anti-U.S. movement for independence, democracy, and reunification.

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CSO: 4110/053

INTER-KOREAN AFFAIRS

BRIEFS

SOUTH KOREAN MOVES DENOUNCED--Pyongyang 24 December (KCNA)--The Tunisian Committee of Solidarity with Korean Workers and the chairman of the Angolan League of Friendship and Solidarity With All Peoples sent solidarity letters respectively to the Central Committee of the General Federation of Trade Unions of Korea and the Korean-Angolan Friendship Association in connection with the anti-communist smear campaign and fascist suppression intensified as never before in South Korea. The letters condemned South Korean authorities for resorting to anti-communist and fascist moves and strongly demanded that the puppet clique immediately stop their reckless acts of suppression, as desired and demanded by the world peace loving people. They expressed firm solidarity with the Korean people in the North in their struggle for the independent and peaceful reunification of the country and with those in the South struggling under the slogan of independence, democracy and reunification. [Text] [Pyongyang KCNA in English 0959 GMT 24 Dec 86 SK] /12913

CSO: 4100/080

S. KOREA/POLITICS AND GOVERNMENT

NKDP'S WITHDRAWAL FROM CONSTITUTIONAL REVISION VIEWED

Reasons For Dilemma

Seoul TONG-A ILBO in Korean 30 Sep 86 p 3

[Article by Kim Ch'ung-gun and Yi Nak-yon]

[Excerpts] It is predicted that the announcement of "Withdrawal from the Special Committee on Constitutional Revision (SCCR) Until Shilse Daehwa [dialogue between the individuals with real power in both parties] Can Be Achieved" by the three opposition leaders; including NKDP Chairman Yi Min-u, NKDP Permanent Advisor Kim Yong-san, and Co-Chairman of Minchuhuyop [an organization for promotion of democracy] Kim Dae-jung, on 29 September might even completely change the form of the constitutional revision discussion so far. In the meantime, the ruling party is trying to prepare countermeasures while analyzing the background of the announcement by the three opposition leaders, and the opposition party is painstakingly trying to establish a plan of action.

The DJP, after hearing that on 29 September the three opposition leaders, including the chairman of NKDP, Yi Min-u, made an abrupt decision "not to participate in SCCR," reaffirmed its current position. It will do its best to normalize the function of the SCCR, "since it is a national priority to revise the constitution," and thus demonstrated a consistent attitude at present.

It is also true, however, that the DJP was surprised that the opposition decided to withdraw from the SCCR as a means of realizing the so-called "Shilse Daehwa," which is outside the managerial aspects of the SCCR, which is simply a "broadcasting method of a public hearing."

The reason is that for the DJP, any discussion of constitutional revision outside the SCCR, that is the National Assembly, is not only undesirable, but may also eventually weaken the party's leadership in handling the political situation in the ruling circle.

Judging from the opposition party's decisionmaking process, and internal movement, such DJP concerns might be a realistic agony in view of the fact that there is the possibility that the opposition circle might gradually "withdraw from the SCCR," thus "nullifying the SCCR."

One concerned DJP member sighed, "For these reasons, the DJP leaders, who have proposed a conciliatory plan for 'taped broadcasting, which is in essence the same as live broadcasting,' and who have been asking for cooperation from the opposition by explaining the ruling circle's internal situation, feel regret and frustration toward the NKDP leaders, who have failed to prevent the surprise decision."

The DJP is busily searching for countermeasures for the future, while expressing their current position of defending the SCCR.

According to DJP analysis so far, in view of the cyclical nature of political games, the true intention of the opposition side's shift toward a tough position might have first been that they considered the early part of October as a period to heighten the tension through "hitting" rather than "talking."

One explanation is that the opposition, aiming at the time when the National Assembly is in full session after the Asian Games, might have felt the need to bring up again the issue of the constitutional revision as an "urgent national task," which might possibly have been somewhat removed from the people's minds.

If this is the case, it is anticipated that the DJP assumes that the opposition side is aiming to take the initiative in negotiations for constitutional revision by downplaying the possibility that the nation might feel favorable toward the ruling circle because of a successful completion of the Asian Games. It holds the attitude that "we need not be trapped by the opposition side's trick of attempting to break out by creating an atmosphere of tension."

Another view of the DJP is that coming face to face with full-scale negotiations for constitutional revision, the opposition side might have taken the hard-line policy as a means to circumvent, in advance, the atmosphere of struggle in their leadership circle, including Kim Dae-jung and Kim Yong-sam. Such a view is related to the reasoning that the behind the scene individual contacts with the opposition circle recently deployed by the DJP might have induced the vigilance of "domestic control" by the two Kim's, and in this case, it seems that "no response is considered a virtue."

Second, the DJP views the fact that of the two Kim's, Kim Dae-jung more strongly favored the withdrawal decision, having prevented in advance the attempt to make his own problem a "card" in the negotiation of the constitutional revision. He clearly confirmed his existence as one of the "Shilee (persons with a real power)," and expressed his intention to play an important role as an active factor in the conversion of the political situation.

In addition to this, the DJP is very displeased about the fact that it is clear that the opposition side attempted to change the counterpart participants in the discussion of the constitutional revision from the DJP or

Chairman No Tae-u to a higher level [implying the President Chon] through the decision to withdraw from the SCCR.

In relation to this, the central members themselves, and No's circle remembered that through the important decisionmaking processes, including the policy change from defense of the current constitution to revision, they might have encouraged the opposition circle's intent, and they emphasized the fact that "it could be a big mistake if the opposition thinks they have the upper hand, and the more they jump the more difficult the 'Shilse Daehwa' will be."

At this stage, however, setting up counter strategies that the DJP can command is difficult because in a complex way the opposition side's true intentions as stated previously has materialized as the decision to "withdraw from the SCCR and promote the Shilse Daehwa."

This is because it is not only a delicate problem which cannot even be solved at the DJP party level, but it is also considered to be the basis of the opposition side's decision to emerge from the current political situation of constitutional revision by bypassing the DJP.

At this point, therefore, the DJP might temporarily have to reaffirm the existing management policy of the SCCR. In order to seize the initiative in handling the political situation effectively. However, it might first of all be necessary for the DJP to set up their own principles, and at the same time to analyze the structure of the opposition circle in a different way.

Through a joint announcement on 29 September, NKDP Chairman Yi Min-u, Kim Dae-jung, and Kim Yong-san, declared the establishment of the "Shilse Daehwa" between the ruling and opposition parties as an intermediate strategic goal to accomplish direct elections by constitutional revision, and made clear in effect that they will concentrate all the efforts that they can possibly mobilize to do so.

While demanding the Shilse Daehwa from the ruling party, the joint announcement by the three declared that they will withdraw from the National Assembly's SCCR and struggle both within and outside the party, concurrently, as necessary.

This implies that on the occasion of the deadline of the first report of SCCR activities, which is the last day of September, the opposition circle plans to move the stage for discussing constitutional revision from the SCCR to a sophisticated political arena and limit the subject to the problem of power structure.

It also seems to reflect the thoughts of the central members of the opposition side, especially the close associates of Kim Dae-jung, that they can no longer wait as a "special favor" for the restoration of Kim Dae-jung's civil rights, which may be considered to be part of the premise of the Shilse Daehwa.

According to an agreement among these three, the NKDP's strategy is to take advantage of National Assembly activities, including the inquiry made to the government and various dialogues with the ruling party, including the party heads' meeting, as an opportunity to demand the Shilse Daehwa. The NKDP also intends to relate the activities of the standing committee and the national budget discussion to the Shilse Daehwa, or to decision on constitutional revision regarding a direct election system.

As an outside [National Assembly] activity, the NKDP at the same time plans to hold continuous district party solidarity rallies in the districts that have not yet held one, and in the big cities, in due time, to hold a "rally to smash the conspiracy to grab political power permanently."

Although the NKDP accepted the above-mentioned joint announcement as a party platform for the time being, the situation is such that they are lacking in a firm confidence as to how to carry it out.

First of all, some NKDP members are expressing their skepticism concerning whether or not a large-scale mass rally in the near future will be as successful as the one last spring on the occasion of the hanging board ceremony of the constitutional revision. The reason is that the triumphant atmosphere of the Asian Games will linger on for some time in the future, and an aversion to political crisis or the desire for stability might develop in the people, and it might furthermore provide the government with an excuse to take tough measures.

Concerning the timing of their full-scale activities outside the party, such statements by the two Kim's like, "We will discuss it later," or "We are not in a rush" seem to be related to their judgment of the current situation.

The fact that the three opposition leaders moved the constitutional revision strategy to a new stage by declaring their withdrawal from the SCCR can definitely be considered to be a shift toward a tough position, in view of the (mild) climate these days when the spirit of the negotiation with the ruling party concerning the SCCR's public hearing broadcasting method was high.

The two Kim's explain that their decision on the SCCR is neither to "break up" nor to "withdraw" but to "stop," and that they have avoided extreme measures since they have opened the door for dialogue between the ruling and the opposition parties.

If we look at the situation more realistically, however, the current decision can be considered to be an outcome of concessions by NKDP Chairman Yi and Kim Yong-sam, to Kim Dae-jung.

It is because Chairman Yi has been trying to normalize the SCCR functions in his own way by even resorting to discussions of the SCCR's public hearing broadcasting method with the ruling party, and Yi's SCCR efforts have received the support of Kim Yong-sam's "serious attitude toward the SCCR."

The fact that Chairman Yi and Kim Yong-sam acted in concert with Kim Dae-jung appears to fulfill their responsibility, according to the intensity and frequency of their public declaration of the "important decision after the first deadline" made so far. Right after the three got together on 29 September, Kim Yong-sam mentioned "We can't go on doing nothing when we kept saying 'We will do something after September'."

Another aspect concerning Kim Yong-sam is that his acting in concert with Kim Dae-jung this time has somewhat relieved him from his political burden as the prime decision maker on participation in the SCCR. In other words, the political burden which will follow the promotion of constitutional revision for a direct election system after October will shift to Kim Dae-jung for the time being, who initiated the decision to withdraw from the SCCR.

Between Chairman Yi and Kim Yong-sam, Kim is known to have made up his mind to withdraw first. It is known that Kim has already agreed on the withdrawal when he met in private with Kim Dae-jung on 27 September; but Chairman Yi showed some lingering attachment to the SCCR normalization even at the meeting among the three on 29 September.

In any event, the political situation on constitutional revision is supposed to go through a frustrating period due to the agreement among the three opposition leaders.

The two Kim's said that there is no special time limit on how long their withdrawal will last, and that they might consider rejoining the SCCR activities, depending on the ruling party's attitude.

Although the joint announcement mentions the "agreement on direct election system" or "Shilse Daehwa" in reference to the time limit of their decision, some close associates of the two Kim's showed flexibility on the time limit, stating that it could be reopened "when the ruling party shows some positive indication."

An almost unanimous interpretation of the wavelength of the agreement among the three is that at least the SCCR's public hearing has "gone across the river."

Lack of Solutions

Seoul HANKUK ILBO in Korean 2 Oct 86 p 3

[Article by reporter Yi I-Chun: "How to Solve an Icy Political Situation?"]

[Excerpts] The political situation hit hard by the three opposition leaders' abrupt announcement of withdrawal from the SCCR of the National Assembly is continuously in a fluster under the influence of the shock wave.

Although the NKDP had no choice but to accept the decision by the three, they could neither find an excuse and timing to realize this announcement nor any

strategy or tactics. The DJP also did not have enough time to understand the announcement's true political implication, and therefore they do not seem to know from which part of the icy political situation they should start working.

Although the NKDP made a decision to withdraw from the SCCR, they were not informed of any follow up policy from the two Kim's who shifted toward a strong position. It is true that the DJP seems to be helpless, too, since they are only talking about the dialogue with the opposition party.

It does not look, however, that the vacuum in the turbulent atmosphere created by the announcement will last long.

The reason is that both the ruling and the opposition parties feel that they have to break out of this political vacuum, by all means, and find a way out of the chaotic political situation, and it is also certain that they will find a starting point through the NKDP's reinforcement of the political attack and NDP's reaction.

Therefore, the people's concern is how and in what form the icy political atmosphere created by the withdrawal announcement will end up as a stormy clash between the ruling and the opposition circles. Both parties predict the timing to be between late October and mid-November. It is especially anticipated that the political atmosphere of the constitutional revision will change, depending on how the NKDP will carry out their political struggle.

The reason why both the ruling and the opposition parties predict a similar clash timing is based on the following strategy analysis; in order for a minimum amount of negotiation to be possible by 18 December, the deadline set, when the SCCR was initially organized, for the agreed constitutional revision, both parties should make a big decision by mid-November; and severe close combat is expected to be inevitable before then.

It is certain that the close fight and clash between the ruling and the opposition parties will start from the initial attack by the NKDP, who accepted the withdrawal from the SCCR as a party platform, jointly with opposition forces outside the party [indicating the two Kim's].

The big attack by the NKDP will mainly be activities outside the National Assembly, such as the constitutional revision promotion rallies in some of the big cities and provinces which have not had rallies yet, and a rally planned by Kim Yong-sam to smash the conspiracy. It is the general prediction inside the NKDP, however, that these efforts will not demonstrate unanimity in teamwork as did the one last spring.

It is because some evidence is being found that Chairman Yi Min-u and the two Kim's seriously disagreed when they announced their withdrawal from the SCCR on 29 September, even though on the surface they seemed to agree without any problem. Kim Yong-sam is known not to have suggested the withdrawal from the SCCR, although he needed to come up with an "important decision" since he has said on several occasions that he would make a big decision of some kind, in

case an agreement on the constitutional revision cannot be reached by the first deadline of 30 September.

Kim Yong-sam's original intention may be summarized as follows: normal operation of the National Assembly; continuation of the SCCR; intensifying the struggle outside the National Assembly. It is known, however, that he reluctantly joined the withdrawal decision after a strong request from Kim Dae-jung and other opposition forces. It is also possible to analyze considering his position after a possible collapse of the political situation, looking at Kim Yong-sam's decision on the ultra hardline policy, an intention of letting Kim Dae-jung take over the leadership and handle the current political situation and experience for himself reality which might be different from what he thinks it might be. However, the decision by Kim Yong-sam, who initiated the establishment of the SCCR, to withdraw from the SCCR must be a reluctant one.

As for Chairman Yi, there is a speculation that rather than weaken his political image by pursuing the yet unclear agreed constitutional revision, he judged that showing a strong attitude at least once might enhance his own political future.

Kim Dae-jung and his supporters, of course, believe that the withdrawal from the SCCR enabled Kim to suddenly move from his weak position over a long period of time.

In addition to these different interests of the three, the complaints of some NKDP members in the National Assembly on the withdrawal decision make it even more difficult for the opposition party to launch a unified attack on the ruling party. Although only a small fraction of the non-mainstream National Assembly members opposed ratification of the withdrawal at the political affairs meeting, most of the members silently disagreed with the three men's decision. It is reflected by the fact that the NKDP Political Affairs Committee members, who voted yes at the committee's ratification meeting, said later in private that "they worried that the NKDP would have disintegrated if they opposed."

The party analyses that the reason why the three, who had originally emphasized that the Shilse Daehwa was a prerequisite for the SCCR's normalization, have now relaxed the condition as an "indication of democratization" is that the differences in the intensity and method of struggle were not streamlined.

It is clear, however, that the intensity of the opposition party's struggle will be even more severe because the more their stance shifts toward the hardline policy, the better they tend to unify the complex voices among various factions within the party.

Although it is unclear how the DJP will react, the party spokesman, Shim Myong-bo's rebuttal announcement at least indicated that the DJP may possibly react with an unyielding, strong position.

If we accept some of the opposition party's interpretation, however, that one of the reasons why the NKDP, especially Kim Yong-sam, shifted toward a strong position is that he judged that the DJP is not yet ready to negotiate on the constitutional revision, since it is not yet clear as to who will be the real power within the party, it is anticipated that the DJP's reaction might not have any firm direction.

It can be said that this is related to the fact that the three initially requested the Shilse Daehwa, and is consistent with the reason why Kim Yong-sam is refusing to discuss it with the DJP Representative No Tae-u.

This is why it is often said that the ruling circle has even more differences of opinion, and insistence on the constitutional revision or "democratization" issues than the opposition party, with its internal complications.

Moreover, the fact that the voice of the NKDP attacking the DJP's proposal of a parliamentary system is a "conspiracy for permanent power" is diluting the ruling party's insistence on a single-term presidency.

Complicated factors in both the ruling and opposition parties will help them control the full-scale struggle until they set up strategy and get ready for it. Consequently, the regular session of the National Assembly starting from 6 October will probably move along, although the voices criticizing and imputating the withdrawal from the SCCR will be very loud.

Once the clash starts, it is anticipated that both the ruling and the opposition parties will drive the political situation to the very edge of a cliff. This can be anticipated from the fact that the politicians in both parties vaguely expect a breakthrough to occur after they drive each other almost to a point of collapse. However, there is a concern over a strong confrontation between the ruling and the opposition parties because the political situation itself might collapse at the slightest slip.

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S. KOREA/POLITICS AND GOVERNMENT

HOPE FOR 'MEANINGFUL DIALOGUE' BETWEEN DJP, NKDP DASHED

SK130229 Seoul THE KOREA TIMES in English 13 Dec 86 p 2

[Article by political editor Kimm Yong-sik, from the "News in Review" column]

[Text] People who had harbored any hopes for the resumption of a meaningful dialogue between the rival political forces had those hopes dashed by the turn of events this week.

The week began with the clear sign of mutual restraint by the ruling and opposition camps. The Democratic Justice Party appeared to have second thoughts about ramming the constitutional amendment through the National Assembly during the winter, while the New Korea Democratic Party scrapped its plan to hold anti-government rallies across the country.

But the thin thread of hope was broken as the two opposing forces began a tug-of-war over the operation of standing committees and plenary sessions of the National Assembly, which remained idle following the unilateral passage of the 1987 budget bill by the DJP on 2 December.

In typical form, the main opposition party asked the ruling party to provide an "excuse" for them to end its boycott of the Assembly.

The NDP suggested that the two parties jointly propose a couple of motions to help debt-ridden farmers and urban workers "in order to remove the people's general impression that political parties are only engrossed in power games."

The response from the DJP was that no excuse is necessary for assemblymen to return to the Assembly. While negotiations were going on, the DJP convened a few standing committees along with members of the second opposition Korea National Party and passed a number of important bills.

Thus, the political pendulum moved back to the freezing and with the NDP deciding not to return to House sessions, which will conclude 18 December.

Upon making the "grave decision," NDP President Yi Min-u deplored the DJP's management of politics in the manner of conducting "military operations" against political opponents as if they were enemies at war. "Our position had to change to respond to their 'operations'", he told the Executive Council of the party.

Whether they are tactical or strategic, there certainly were significant changes in the plans of the ruling party over the past few weeks. Apparently emboldened by their "success" in deterring the NDP's outdoor rally in Seoul late last month with the deployment of an enormous amount of physical power by the government, the ruling party made it known to its opponent that it was ready to use its majority strength in the National Assembly for the constitutional amendment.

The pronouncement, though it was short of an official declaration, was in fact the expression of its unconcealable desire to end the tiring controversy over constitutional reforms that started with the 12 February 1985 general elections.

However, this wish was apparently not shared by the top authority in the ruling camp. Any plan for a unilateral initiation of the amendment work certainly contradicted the presidential projection of "amendment by partisan agreement" which was presented to political forces last April.

Early this week, senior officials of the DJP were busy modifying their statements from the previous week and asserted that constitutional revision by partisan compromise was still their ultimate goal.

The backpedalling on the part of the ruling party was followed by the decision in the NDP to cancel its plan to hold an "indoor" rally at Olympic Stadium on 13 December to make up for the aborted one on 29 November.

It was a significant development in the main opposition party that an official organ, in this case the senior officers' meeting, reversed a decision made privately by the three top leaders--Yi Min-u, Kim Yong-sam and Kim Tae-chung.

This touched off new tension between the two rival factions in the NDP as Kim Tae-chung's Tonggyo-dong faction felt they were outmaneuvered by Kim Yong-sam's Sangdo-dong group in the course of planning "out-of-parliament" struggles.

Tonggyo-dong has thus become more rigid in not attending the National Assembly and supporting the conclusion Thursday that the main opposition party "should not play the role of the DJP's accessories."

There is slim hope that the NDP will take part in the closing plenary sitting 16-18 December. The 1987 regular session, perhaps the last one for the 12-term Assembly, will be finished in a sullen scene of empty opposition rows even without the customary photo-taking in front of the Assembly building.

After the closing of the House Session, a political vacation will occur due to the seasonal festivities. The holiday season is hoped to allow political leaders a time to cool off and relax after a long embattled year and find a truly workable prescription for the future of their nation.

S. KOREA/POLITICS AND GOVERNMENT

SEOUL DAILY REPORTS SKEPTICISM ABOUT PARTY LEADERS' MEETING

SK140144 Seoul THE KOREA HERALD in English 14 Dec 86 p 1

[Text] Political sources said yesterday they are skeptical over the possibility that the proposed meeting among rival party leaders would be held within a few days. The meeting, if realized, would be held only after the current National Assembly session ends Thursday, they added.

Secretaries general and floor leaders of ruling and opposition parties are seeking to make contacts early this week in an effort to foster a favorable atmosphere for the high-level meeting. Through such contacts, the rival parties are expected to discuss ways of resolving the current strained atmosphere.

Despite such efforts, however, it is unlikely that the main opposition New Korea Democratic Party will reverse its decision to boycott the remainder of the present regular Assembly session, the sources said.

The ruling Democratic Justice Party said it will continue endeavors to persuade the opposition NKDP to return to the Assembly.

Emerging from a meeting of key office holders, floor leader Yi Han-tong said the DJP plans to launch contacts this week to induce the opposition lawmakers into parliamentary activities. He made clear, however, that regardless of opposition responses, the ruling party will continue deliberations in Assembly standing committees as scheduled.

Participants in the meeting included chairman No Tae-u, Secretary General Yi Chun-ku and Minister of State for Political Affairs Chong Chae-chol.

Meantime, the opposition NKDP showed no signs that they would retract its decision to continue to stay away from the parliamentary action. The decision was made Thursday in protest against the ruling DJP's unilateral handling of the minimum wage bill and other bills in Assembly standing committees.

NKDP President Yi Min-u said, "we have yet to receive a formal proposal for a meeting among rival party leaders. Even if the proposal is made, we have no intention of accepting it before the Assembly concludes."

However, he did not completely rule out the possibility that such a meeting would be held, saying, "it would be better to watch developments."

Yi also suggested that his party is not considering attending a meeting of ranking members of the Special Constitution Revision Committee scheduled for Tuesday.

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CSO: 4100/076

S.KOREA/POLITICS AND GOVERNMENT

EDITORIAL ON RULING, OPPOSITION PARTIES

SK191212 Seoul TONG-A ILBO in Korean 18 Dec 86 p 2

[Editorial: "Turbulent Road for the Opposition Party--The Ruling Party Must not Seek Division Within the Opposition Party, and the Opposition Party Must Put Its Leadership in Good Order"]

[Text] In party politics, an opposition party means a party that does not form a cabinet or participate in the administration. In other words, as a force on the opposite side to the ruling party, it is a party out of power that can also become a ruling party someday. Therefore, in a democracy true to the sense of the word, it is a principle that an opposition party prepares itself to come to power after forming its own "shadow cabinet."

However, in our country, the road which the opposition party has embarked upon has been a turbulent and thorny one. After the 19 April [student uprising], the opposition party became the ruling party temporarily. Except for this, the opposition party has always been a "perennial" opposition party. Even if they disagree with the attitude of the ruling party in dealing with political affairs, until elections the people can have comfort in the fact that a sound opposition party exists, and can collectively cast their ballots for the opposition party in elections. However, if the opposition party is not trustworthy or only perpetrates factional strife, they will lose their hope in politics because they have nothing to entrust themselves to.

The prevailing indifference to and disillusionment about politics these days must have something to do with this phenomenon. Because of such a phenomenon, Korea's ruling parties have always used as a pretext to extend their rule the notion that opposition parties are not prepared to assume power, and that they have not prepared alternative plans.

Strictly speaking, however, how the ruling party reacts to the opposition party tends to greatly affect the opposition party. If the ruling party intends to benefit by dividing the opposition party, instead of providing a foothold for the opposition party, [hoping for] the sound development of party politics is like waiting for pigs to fly. We think that from now on, the ruling party must choose as its means to come to power the road of subjecting itself to a judgment based upon abilities and achievements, instead of coming to power in the form of a windfall brought about by the division of the opposition

party. Saying that "we cannot but come to power because the opposition party is in such shape" is not a fair and square attitude of a ruling party.

If a ruling party is to win the support of the people from the bottom of their hearts by assuming the due appearance as a ruling party, it must be fair and just. Our ruling party knows from its experience how useless and powerless a government-patronized or tamed opposition party is.

The unfair treatment of a certain figure is also one of the important factors that hinders the sound development of the opposition party. The fact that the opposition party cannot find the center of its leadership, and that it is continuously dwindling, is largely caused by such an imbalance. If the opposition party consequently loses its power of self-generation and autonomy and if its leadership drifts, the ruling party will face difficulties because it will have no partners in dialogue and negotiations. In particular, the DJP, which is seeking a cabinet system [in constitutional revision] must seek to regain power through bona-fide competition with the opposition party, instead of competing with a weak opposition party.

However, we do not mean that it is good for the opposition party to feel comfortable after laying all blame on the ruling party that things have gone wrong for the opposition party. We think that the opposition party must prepare itself for the coming stormy seasons after establishing a stable leadership at the earliest date. No one can predict how the political situation surrounding constitutional revision, which has come to nothing in 1986, will develop in the new year. Very solid unity and strong leadership are necessary for the NKDP in order to hold one's ground as the first opposition party. It is not all the easier for it to consolidate its unity while not dwindling by storms from the outside. However, now is the time for it to establish its new leadership based upon the common sense of party members.

When the ruling party does not seek division within the opposition party and when the opposition party develops its capability to succeed in power, the foundation for sound party politics will be consolidated.

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CSO: 4107/064

S. KOREA/POLITICS AND GOVERNMENT

ATTEMPT TO FORM PRO-MARXIST-LENINIST PARTY INVESTIGATED

Seoul TONG-A ILBO in Korean 24 Oct 86 p 10

[Text] 1. Background and Details of the Investigation

On 30 August, prosecutory authorities reported results of investigation on radical leftist groups on campus--"People's Democracy Fighters" and "Independent Democracy Fighters." During the investigation process, the investigators got a clue to the existence of another radical organization attempting to penetrate workplaces to organize workers as a "main force of revolution" through the influence of radical leftist theories. Since then, for about 3 months, the investigators focused their work on campus and workplaces such as Seoul National University and Kuro Industrial Complex.

For the same period, a series of shocking incidents occurred, including the Yi Byong-ho spy incident at Seoul National University in September and the incident of posting North Korean bills at Seoul National University in October. Hence, the prosecutors realized the seriousness of the situation and spurred on their investigation mainly of the students expelled from Seoul National University, which could be the source of the radical leftists' ideology and activities. As of 24 October, the prosecutors arrested 27 people in connection with the incidents, including Kim Son-tae, a 25-year old senior with German education major who has been removed from the College of Education at Seoul National University.

The investigators focused on Kim Son-tae's statement, a guide which Kim developed and 55 other printed materials, which were developed for so-called member education and have been confiscated. The investigation revealed that Kim Son-tae, in the capacity of a general leader, formed "Regional Workers' Union," which is a revolutionary vanguard organization aimed at the so-called "National Liberation and People's Democracy Revolution," and through this organization, he attempted to form a "Marxist-Leninist Party," which is characteristically equivalent to the Labor Party of North Korea.

Thus far, the investigation results have shown that the "Marxist-Leninist Party" will drive out U.S. intervention through strikes of 10 million workers and a revolt. After overthrowing the existing government, it will attain the so-called "National Liberation and People's Democracy Revolution," which is North Korean propaganda for revolution in South Korea, and then it will

establish so-called "Democratic People's Republic," which is a proletarian dictatorship. It will then form a combined government with North Korea upon conversion of the South Korean society into a socialist system, and ultimately it will achieve a unified communist nation.

Their ideological foundation stands strictly for the North Korean policy line--National Liberation and People's Democracy Revolution (NLPDR). In order to achieve this, their 3-step revolutionary plan is to first form the "Regional Organizations," then form "Regional Workers' Union," and then convert them into the "Marxist-Leninist Party."

2. Investigation Results

(1) Characteristics of the Incidents--First, centered on the "People's Democracy Fighters" and "Independent Democracy Fighters," the radical leftist student groups and the labor struggle organizations have been advocating pro-communist thoughts in the guise of "anti-Americanism," "anti-fascism," and the so-called "establishment of revolutionary government for people's democracy." But it has been revealed that members of the "Regional Workers' Union" have openly published their intent to keep their strategy to ward socialist unification through the "National Liberation and People's Democracy Revolution," which is the first step of the North Korean strategy to convert South Korea into a unified communist country, while attempting to form the "Marxist-Leninist Party," which is known as "National Unification Headquarters for Revolution," which is characteristically similar to the North Korean Labor Party.

Second, the managing leaders of the heart of the organization, including Kim Son-tae, have been armed with "Kim Il-song ideology," which is extracted from the North Korean broadcast and publications. And they quibble, "The South Korean revolution must be carried out from the standpoint of communist revolution theories based on Kim Il-song ideology." They have come to the point where they are debating whether their organization should be incorporated into the North Korean Labor Party just like Southern Labor Party and such underground party as the past Unification Revolution Party which were formed by spies, or they should designate North Korea as an ally or supporter for their fight for "South Korean revolution" and "unification with North Korea."

Third, they began a full-scale rally in June 1986. Their foundation of struggle is so intensified that through a well-planned method they rapidly expanded the Regional Workers' Union to 20 revolutionary units consisting of 101 members in just 3 months. They formed organizational guidance divisions called "Central Committee" and "Regional Committee," the concepts of which were extracted from Lenin's organizational theory, which pledged solidarity of communist party or underground party-style organizations by setting guidance for member selection standards, security policy and activity rules. In addition, they attempted to build the so-called "National Democracy Frontier," which encompasses all walks of life and is advocated by North Korea, through formation of "Unification Frontier," which is a form of joint force that was

supposed to be created by connecting the "Revolutionary Unit," which is the root of communist organizations, with workplaces such as Kuro Industrial Complex, campus organizations such as Independent Democracy Fighters, teachers at elementary and high schools, some of the opposition members, and religious organizations.

Fourth, it has become clear that this incident possesses a danger that could shake up the bases of national security and democratic freedom, because the traditional radical leftist groups that have their roots on college campuses have dramatically entered into workplaces and instigated workers systematically, and attempted to maneuver a revolt through a joint fight. In particular, it has been revealed that the recent incident of pro-communist North Korean groups on campus was led by some of the radical leftist students of Seoul National University, since the leader of the incident Kim Son-tae and other major supporters are from Seoul National University, and of the 101 people connected with the incident, 64 were either current students or those removed from Seoul National University.

(2) Summary of the Incident—(a) Formation of Marxist-Leninist Revolution Vanguard Organization

Kim Son-tae (age 25), who has been removed from the Department of German Education, College of Education, Seoul National University, because of his activities on campus demonstrations, received his leftist education from "Literature Research Group," a problem circle on campus, when he was a student, and from youth associations of churches. Along with Kim, Pae Son-ho (age 23), a graduate of the same department, and Song Jin-gol, who has been removed from the School of Business, Chungang University, studied struggle directions and revolution methods. During the study, they learned that under Lenin's leadership in 1895 in Russia, the "Workers' Northern Union" was first formed in Petersburg, and was expanded to include various regional unions such as "Moscow Union" and "Siberia Union," and that the "Working Class Liberation Struggle Union," a combined labor organization, was formed, which convinced them, "The Bolshevik Revolution succeeded through a unified struggle." Then, they believed, "Revolution in South Korea, too, needs the combined strength of workers, peasants and the poor class, just like the Russian revolution, and workers must be organized and led from strike to riot, from barricade battle to armed revolt, and from one region to another, leading to a people's revolt on a national scale." And they concluded that such a struggle requires a strong leadership like that of a Marxist-Leninist Party in order to accomplish the "National Liberation and People's Democracy Revolution." Hence, on 14 June 1986, in their boarding room in Uiwang-up, Sihung-gun, Kyonggi Province, 15 people gathered to form the "Regional Workers' Union," a revolutionary vanguard organization for a "Marxist-Leninist Party," to be centered on Kuro Industrial Complex. Then, they formed Central Committee (CC), an organization headquarters, under which Kim Son-tae is assigned as general leader and campaign leader, Pae Son-ho as educational leader, and Song Jin-gol as organizational guidance leader. Between June and October 1986, they recruited a total of 101 people, including radical leftist students from nine universities, such as Seoul National University, Yonsei University,

Chungang University, Songsin Women's University, and Ehwa University, and elementary school teachers, laborers, and even lowly shoe shiners, selected under strict standards such as revolutionary spirit, intellectual level, and possession of work experience at plants. Then, they formed a total of 20 revolutionary units, each with 3-6 members, in the same way North Korea does for organizational management and movement, such as 9 factory units for penetration into Kuro Industrial Complex under disguise, 1 night school unit in Kuro area, 2 campus units connected with on-campus struggle organizations, 6 units for studying preparation of movement of workplaces, and 2 external units including elementary school teachers and medical school students. The members work in accordance with security guidance, living standards, and plant activity guidance, which have been prepared by the organization.

Beginning in August 1986, in order to carry out their plans to expand the Kuro Industrial Complex-based "Regional Workers' Union" into other areas, they made connections with Song Byong-chun, who is a senior (student number 73) at Seoul National University and a member of Minchongryon, and Pak Sang-yong (student number 78), who is an industrial missionary of Yongdungpo, and Yi Chul (student number 76), who is a disguised worker in Inchon area. Then, they formed "Regional Committee," which serves as an ideological and struggle leader behind workers' union, in order to consolidate and expand revolutionary fighters' organizations. Then, based on the above organizations, they attempted to establish Marxist-Leninist Party, which resembles the North Korean Labor Party.

(b) Acceptance of North Korean Revolution Line Against South Korea

At 10 pm on 14 June 1986, at a boarding room in Uiwang-up, Sihung-gun, Kyonggi Province, when the 15 people including Kim Son-tae were in the process of forming the "Regional Workers' Union," they proposed the following revolutionary strategy in line with North Korean policies of revolution against South Korea, which was written in 13 printed materials such as the "Basic Policy on Organization of Our Power," which was developed and distributed by themselves.

Basic Strategy--"The basic-class workers and farmers are to become the major force of revolution, while national capitalists, patriotic youth, students, intellectuals, patriotic soldiers, and urban bourgeois are to become a support power of revolution, leading to formation of an anti-American, save-the-nation unification frontier consisting of all the disgruntled people from all walks of life." Then, upon establishment of the so-called "Korean National Democracy Frontier," which North Korea has been advocating, they are to launch a "10-million people's strike and revolt" with North Korean support when time comes.

Jumping on the Bandwagon of the Opposition's Direct Election Campaign--They concluded that the direct election slogan "is an absolutely important tool in fighting to gain public acceptance because under current circumstances it tends to pull attention of people's revolutionary energy, which could strengthen the anti-American, anti-fascism." Thus, they judged the campaign

for constitutional revision for direct election provides them favorable atmosphere in carrying out their fights. Hence, they "attempt to cooperate temporarily with democratic bourgeois power which advocates adoption of a direct election system, but once the existing government has been overthrown, the opposition circle, too, will be judged as an incompatible group," and will ultimately be knocked down.

(c) Production and Distribution of Pro-Communist Materials

Between July and September 1986, a group of people including the general leader Kim Son-tae produced and distributed a total of 55 kinds of pro-communist materials as their guides for their ideology, organization and strategy.

These printed materials are used to brainwash and train the organization's members with a thoroughly socialistic view of revolution, and have been widely distributed on campus and workplaces, rapidly polluting students and workers with communist ideology.

(3) Background Connections

In order jointly to carry out the so-called regimental revolution fight with other organizations in workplaces, Kim Son-tae of Seoul National University met with the following people on 5 August at the home of Song Byong-chun (a senior who has been removed from the Education Department at Seoul National University and is under investigation) located at Sihung-dong, Kuro-gu: Song Byong-chun (a member of Youth Union for Democracy Movement), Pak Sang-yong (a member of Yongdungpo Industrial Missionary Group and a senior removed from Seoul National University and currently under investigation), Chi Yong-gun (who is a senior removed from the Physical Education Department of Seoul National University and has been arrested in connection with the incident of the so-called Struggle Committee for National and Democratic Education, which is an organization that promotes impure ideas among junior high school teachers in the southern part of Seoul), Yi Chol (student number 76 at Seoul National University under investigation), and Song Jin-gol (a senior removed from School of Business, Chungang University and under investigation), who is also a member of the Central Committee like Kim Son-tae. At the meeting, they formed the Regional Committee, which is a core staff organization.

Thus, in order to identify the power behind the scenes, to arrest them early, and to identify connections with other tainted organizations, prosecutors are focusing all their efforts on this investigation.

3. Conclusion

The investigation results have shown that the radical leftists' pro-communism policy on and off the campus completely advocated North Korea's revolutionary policy toward the South, and that they attempted to equip workers with leftists' revolutionary ideology, whereby workers will overthrow our democratic system through revolt, and that they attempted to establish a

socialist government. Certainly, we cannot help being shocked and worried about all this.

For all such anti-government activities in the future, not only should we take a decisive step in view of national security, but also we must rigorously investigate the evil power behind the scenes, so that we can positively maintain the national order and safety of people.

Supplemental Data for Investigations Report

Methods for Organizational Protection--In order to protect their organizations, to prevent members from leaving, and to strengthen their organizational ties, they prepared guidelines for living, behavior, security, and plant activity, and are training the members accordingly.

Living and Behavioral Guidance--"Instinctively and fundamentally reject and be hostile to the bourgeois view of the world and bourgeois society."

"Accomplish proletarian spirit in all sorts of ideological fights and take a noncompromising attitude." "Reject completely all other miscellaneous ideologies and mechanical thoughts."

Security Guidance--"Periodically incinerate all printed materials, such as memos and the like, which might become troublesome." "Abandon student status and discard all student habits." "Don't use names, but use I, you, he, and she at meetings." "When taking refuge, break off relations with parents, friends, lovers, and relatives, and communicate unilaterally with relatives." "When interrogated, make a few false statements and hold out at least 24 hours so that the organizational defense line can be saved." There are a total of 65 items including usage of abbreviations and passwords using Korean consonants such "org," meaning organization and organization members, and rules for daily living, escape methods, and methods of dealing with interrogation.

Plant Penetration Method and Activity Status--Those members who have completed training must survey the factory they intend to enter, and then they must learn work methods, such as welding, milling, lathe, drilling, and machining.

And then, steal certificates of residence when drinking with relatives, friends and co-workers. If such a method is not applicable, search resident cards at the village office, and obtain attested copies of residence registration for several people of similar age, and then select a person whose identification, such as age and military service, closely matches the desired conditions, and then study the complete identity and experience of the person, and then disguise yourself.

Male members are to penetrate the heavy industries such as iron and steel while female members are to penetrate the light industries such as textiles.

Then, after gathering the workers, who are disgruntled with wages and working conditions, form associations such as football teams and fishing clubs to

share activities and to maintain close relationships, and then win them after becoming very friendly through drinking.

Then, form all kinds of groups in each factory, such as meetings for labor standards, union meetings, and hobby groups. And then, while "factory leaders" evaluate the progress, they "train the workers so that the workers will come to their political senses, leading to a systematic formation of organizations within factories." The training methods are to include comparison of labor conditions with other factories, education on Korean labor policy, introduction to examples of labor law violations, and explanations of labor memoranda.

Investigation Analysis Reports on Seditious Documents

About labor unions and activist groups (labor party and revolutionary units)--Guidelines for organizational form of labor unions, principles of activist groups, and duties of revolutionary units.

Organizational tasks II & IV--Production of vanguard fighters for the anti-imperialism struggle, anti-imperialism struggle by the organizations equipped with Marxist-Leninist ideologies, etc.

Tasks for this thesis--Leninists' heritage in the area of labor party movement, legitimate and systematic progress of labor movement, labor union's position and roles in class struggle, etc.

Basic policies for public campaign--To reveal and awake to the true character of American imperialism, to spread new policies publicly for NLPDR (National Liberation and People's Democratic Revolution), etc.

About direct election slogan--The direct election slogan reflects public consciousness about the political situation confronted with the constitutional revision issue. Revolutionary energy of the public should be directed against American imperialists and their agents.

What to do about the soul of the guided political struggle of narodnichestvo--Stress economic struggle and use terrorism as a major struggle method. Let's smash the manes of the guided political struggle of narodnichestvo.

Our strategy for the immediate situation--To establish a socialist society, which will completely liberate the working class, is a historical task of the proletariat. The revolution should be centered on the working class including peasants, urban poor, bourgeois, and progressive intellectuals. How is the current reformism serving the reactionary bourgeois?--The only purpose of political struggle by the proletariat is to overthrow the existing power and to transfer the power to the people.

Victory of liberation, unification and democracy upon destruction of American imperialism and colonial policy--Historical status of SRP (Socialist

Revolutionary Party); Characteristics of South Korean society and SKR (South Korean Revolution); and our revolutionary tasks of today.

Critique on present political conditions--The logic behind the demand for reform is for absolute reform. At present, the proletarian class is controlled by the bourgeois.

Explanations by Leninists--Leninist strategies developed by Stalin.

About our strategies today (with thoughts of the struggle of 3 May)--Promotion of anti-American independence, anti-fascism democratization, and struggle for acceleration of national unification. Equip the general public with mainstream ideology and train them in socialist patriotism.

Urgent tasks for South Korean revolutionary organizations--In order to establish labor parties nationwide, start with development of "vanguard organizations for regional workers." The "Regional Workers' Union" is the headquarters for all struggles for the laboring class.

Basic policies for our organizational capacity--To be centered on the Marxist-Leninist Party. Equip ourselves and the general public with mainstream ideology. Establish the National Democracy Front jointly with Marxist-Leninist Party.

Our strategies for constitutional revision--Expose the enemies in constitutional revision issues. Convince people of political conditions. Prepare systematic bases for a power struggle.

Declaration of the Communist Party--Written by Marx, who is the father of communist ideology.

Tasks for Russian social democrats--Written by Lenin, who is the founder of original activities of Russian socialist democratic party.

Nation and revolution--"The Theory of the State" written by Lenin.

Preface--Advocate the South American guerrilla revolutionary line based on nuclear theory.

Summary of National Liberation and People's Democratic Revolution--The democratic revolution is an anti-feudalism revolution and its fundamental purpose is to get rid of all remains of feudalism. The Korean society is an anti-feudalism society and the present Korean revolution is characterized as NLPDR (National Liberation and People's Democratic Revolution).

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S. KOREA/POLITICS AND GOVERNMENT

SEIZURES, SIT-INS OVERHEAT CAMPUSES

Seoul TONG-A ILBO in Korean 8 Dec 86 p 5

[Article by reporter Yun Sang-ch'am]

[Text] On 28 October, over 2,000 students from 29 universities got together at Konkuk University to hold their activation ceremony of "Aehaktu" (the national league of patriotic students for struggles against foreign influence and dictatorship). That was the beginning of the Konkuk University incident. The incident, according to an analysis made by the government authorities concerned, was an attempt made to "rally" their strength from the state of "a lull" maintained during the period of the Asian Games in Seoul.

During the first semester of this year, the students developed their ideological strife as they were divided into the activist groups of "Chamintu" and "Minmintu." Reflecting on the fact that their student movement was frustrated greatly by the "pro-Communist wall poster" incident at Seoul National University early October, they tried to organize an inter-university body similar to the former "Chonhaknyon" (the National Federation of Student Associations).

Since the violent wall posters, including anti-American slogans, appeared at the beginning of the first semester, the number of students participating in demonstrations barely reached an average of less than 200. In the second semester, the campus demonstrations were greatly discouraged by the series of large-scale arrests of students for involvement in the "National Salvation Student Struggle League," allegedly to be the force behind the "pro-Communist wall posters," as well as the ML party and the anti-imperialist alliance party incidents.

It seems that the students reached a conclusion that it was necessary to organize a student league and stage combined student demonstrations at Konkuk University, to rally back their strength.

Police troops marched into the campus to quell the combined student demonstrations at Konkuk University. The students came to seize five different campus buildings. Their sit-in continued for 4 days. Immediately after the police intrusion, a total of 1,525 students were taken into police stations.

Of the total, 1,287 students were arrested--the record-breaking large-scale arrest in history.

Last August, combined student demonstrations were staged at Korea University and Hanyang University, but in small scale. "A rally to crush the Assembly Special Committee on Constitutional Revision and blocking the American imperialist economic plunder" and "a rally to drive American imperialists and overthrow the pro-American, dependent regime."

Following the government's action on campus autonomy late in 1984, student demonstrations dealt chiefly with the campus problems, at first. This year, their demonstrations have gone so far as to flatly deny the present government, thus increasingly running to the extremes. Their slogans and fliers tended to be anti-American, in favor of a constituent assembly, and pro-Communist. Such "change in quality" has invited the super-hardline measures employed by the government authorities concerned.

The very beginning of the combined inter-university student demonstrations was marked by the one staged at SNU on last 4 February. Abruptly, more than 1,000 students swarmed into the quiet campus during that winter vacation period, from 15 different universities. They held a rally "for organization of the Chonhaknyon headquarters for struggles for 1986 and signature collection for constitutional revision." Their rally caused a big stir in the political circles because of their outspoken urge for constitutional revision, which had been taboo even in the political circles at that time.

Following this incident, the government took measures to "allow no one to sign for constitutional revision." The police arrested all staffers of the Chonhaknyon, who led the SNU rally. Then came Chamintu and Minmintu. No sooner had they appeared than they brought out the anti-American and anti-nuclear slogans, such as "drive out American imperialists" and "withdraw plans to turn Korean peninsula into a nuclear base."

In April, they termed the in-camp training programs at frontline units "Yangkee's mercenary education designed to perpetuate the division of the Korean peninsula." Then, their demonstrations against the in-camp training programs spread. On 21 April, over 2,000 students of Songkyunkwan University seized the campus building and staged 4-day demonstrations, in protest against that 10 out of the 12 students who voluntarily withdrew from the in-camp training course were drafted into the army.

Again on 28 April, some 400 SNU sophomores staged their sit-in demonstrations at the Sillim-dong intersection near the campus, boycotting the in-camp training program. They were later forced to enter the barracks for training program.

During that day's demonstrations, two students poured gasoline over their bodies and burned themselves, shouting the slogans, "Opposed to in-camp training or die." They all died while undergoing medical treatment at hospitals. They are Yi Chae-ho (22, senior, Political Science Department), chairman of "the SNU struggle committee against war, against nuclear, and

for protection of peace"; and Kim Se-chin (21, senior, Microbiology Department), president of the Natural Science College student council.

This year, there have been many shocking cases of students who burned themselves to death. At the SNU combined demonstrations last April, Yi Tong-su (23, junior, Horticulture Department) set fire on himself and jumped from the 4th floor of a campus building, and killed himself. Miss Pak Hye-chong (22, senior, Korean Literature Department) committed suicide by plunging herself into the Han River, because she could not overcome "the too painful realities to live in silence." In Mokpo, Kang Sang-ch'ol (23), who quit the Mokpo Vocational College in mid-course, burned himself and died 19 days later.

Amid the nation's consternation at the series of student suicides, the heated anti-American trends rose. Late in May, student activists seized the American Cultural Center in Pusan and the Yongdungpo Branch of KorAm Bank and staged sit-ins. And there were series of anti-American demonstrations staged by workers.

On 21 May, 21 students (including graduates) of SNU and Korea University seized the Pusan ACC; and on 30 May, 16 workers who are members of the Incheon District Workers League seized the KorAm Bank branch and were arrested while staging a sit-in demonstration.

The police quelling tactics against campus turmoils and demonstrations were gradually changed into positive and "adamant" ones. Beginning in the first semester this year, police were allowed to enter the campuses without a formal request made by the university authorities. The campuses had to suffer serious pains due to the endless student demonstrations and large-scale arrests. Following the Konkuk University incident, the demonstrations seem to have temporarily declined, but it is difficult to predict what will happen next year.

"Colleges are a huge community of consciousness. As long as society fails to properly learn what the students think of and what they demand, the flames of demonstrations will not be quenched," a college professor said in his meaningful analysis, with his concern.

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S. KOREA/POLITICS AND GOVERNMENT

KNR REPORT ON SECOND SEOUL-PUSAN RAILROAD LINE

Seoul THE KOREA HERALD in English 6 Dec 86 p 3

[Article by reporter Kang Sang-yun]

[Text]

Government transportation officials are still scratching their heads over the question of building a high-speed railroad line linking Seoul with Pusan.

After a long silence on the matter, the Korea National Railroad (KNR) last month presented a report to the National Assembly declaring it "inevitable" that the nation will build a new railway connecting the two big cities in the 1990s.

The report, presented at the request of an opposition lawmaker from Pusan, the nation's second largest city along the southern coast, is largely based on the results of a \$1 million feasibility study on a new Seoul-Pusan artery.

Both The Transportation Ministry and the KNR have virtually kept mum about the matter since the findings were made public early last year.

Thus it was anyone's guess whether a new railway would be built or not.

The KNR report to the legislature, nevertheless, leaves the intent of the government clouded.

In view of the ever-increasing volume of both passengers and freight on the artery, the report simply says it is "necessary" for the nation to build a new railway.

Estimates by the railroad agency show that both passengers and cargo will respectively grow an average 5.8 percent and 4.7 percent annually between 1982 and 2011.

The agency disclosed that passengers of express trains like Saemaul-ho and Tongil-ho have annually shot up 16 percent on the average during the past nine years, between 1976 and 1985.

According to the KNR, the Suwon-Chonan section of the nation's longest and most profitable route will reach full capacity this year and the Chonan-Taejeon portion will do so in 1988.

The Suwon-Chonan section will also exceed capacity in two year's time.

Figures presented by the railroad office show that 66 percent of Korea's total population reside along the Pusan-Seoul artery. The artery is also responsible for 74 percent of the gross national product.

The existing line, the KNR said, will be beyond its capacity in "eight to 10 years," although it is refurbished to the maximum possible extent. Such improvement might cost 664.5 billion won.

As a consequence, the KNR report concluded that it is necessary for Korea to build an electrified line connecting Seoul with Pusan.

The biggest problem, to be sure, is how to raise the staggering construction money.

The KNR estimates that the construction of a double-track electrified line would require a total outlay of 1,765 billion won, about 700 billion won more than would be needed for the construction of a four-lane expressway of similar length.

In the opinion of railroad officials, trains running on electrified lines would consume less oil than automobiles, so that building a new railway than expressway would be more economical. Officials concede that increasing numbers of cars will hit the road in the coming years, raising the necessity of building more highways or expressways.

The conceived Seoul-Pusan line will span roughly 380km, 65km shorter than the existing line.

It will take seven years or more to construct the artery, the KNR said, as laying

the tracks alone may require more than four years.

Of the projected construction costs, 1.7 percent or nearly \$34 million would come from overseas. Purchases of the locomotives and coaches needed for the new line would require an additional 112.5 billion won, of which 20 percent or \$26 million would be borrowed from foreign countries.

Should the much-discussed railway be built, the KNR said, it will be designated for passengers traveling long distances, while the existing line will transport cargo and short-distance passengers.

An electrified line will shorten the travel time from the present four hours and 10 minutes to less than three hours, the officials said.

The new Sixth Five-Year Socio-Economic Development Plan (1987-1991) puts aside 4 billion won for drawing up the "basic design" for a new railway linking the two big cities.

Yet, high-ranking officials of the Transportation Ministry and Korea National Railroad deny that the government has decided to forge ahead with the railroad project.

"Whether or not the government builds a new railway will depend on the results of the feasibility studies," said Shin Yong-kuk, KNR's chief policy planner.

"There is no guarantee that a new line and, for that matter, an electrified railway will be built," Shin added.

Yum Tae-sop, director of the ministry's Transportation Coordination Bureau, was noncommittal, as well. "The government has not yet reached any conclusion on the project," he said. "What is clear at this moment is that we have no concrete plan."

He said many budget officials have lodged a mild protest with the ministry over the KNR report to the National Assembly. Their objection concerned "how the huge construction fund will be raised."

The Economic Planning Board, according to other ministry officials, remains skeptical about the massive railroad project because of budgetary limits.

Nonetheless, KNR officials said there is no doubt that the Seventh Five-Year Socio-Economic Development (1992-1996), will include the Seoul-Pusan rail project.

They said that budget officials have indicated that construction of a new Seoul-Pusan railway may be kicked off early in the 1990s, if the project is not included in the Sixth Five-Year Socio-Economic Development Plan.

Shin of the railroad agency said the KNR has not excluded the possibility of building a high-speed railway like the ones now servicing France and Japan. "We still have no clean-cut idea of whether France's high-speed TGV or Japan's Shinkansen would be suitable for our terrains," he said.

Korea will be able to develop high railroad technology in the next eight to 10 years, so that Korea's dependence on foreign technology in constructing an electrified railway will be lessened, Shin predicted.

"That will enable Korea to reduce the amount of foreign currency to be used for the building of a new electrified line," he said.

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FOREIGN DEBT TO BE CUT WITH \$5 BILLION TRADE SURPLUS

Seoul THE KOREA TIMES in English 17 Dec 86 p 9

[Article by Ch'ae Hi-muk: "Foreign Debt To Be Cut with \$5 Billion Trade Surplus"]

[Text]

In the government's economic operational plan for next year, priority emphasis is placed on a sustained surplus in the balance of international payments and in balanced development among industrial and provincial sectors.

The government also plans to actively improve economic and social systems and structurally inefficient factors to cope with rapid internationalization.

In announcing next year's economic plan, Deputy Premier-Economic Planning Minister Kim Mahn-je forecast an eight percent economic growth for next year.

Under moderate economic growth, the government plans to reduce the unemployment rate to 3.6 percent from the 3.8 percent figure for this year.

The overall external debt will continue to be reduced with a projected \$5 billion surplus in the balance of international payments and \$39 billion worth of exports.

The government will also stabilize commodity prices with a 1-2 percent rise in wholesale prices and a 2-3 percent increase in consumer prices.

In a word, the government will catch three rabbits — price stabilization, high economic growth and surplus in the current account — next year, all of which have been caught this year.

The government has lowered the economic growth target for next year to eight percent from the 12 percent estimated for this year because there is no prospect for a better international economic climate than this year.

In fact, this year, the country is ex-

pected to record 12 percent economic growth due to the favorable "three lows" — the crude oil price fall, low interest rates and depreciation of the dollar against major world currencies.

But next year, crude oil prices are expected to hover at about \$15-18 per barrel, which will increase the cost of oil slightly.

Raw material prices, excluding farm products, are also expected to increase slightly in the international market next year. Interest rates are expected to reflect a small-margin increase in the latter half of next year.

The world's economic growth will be an average three percent, only slightly higher than this year's 2.5 percent growth, and world trade will drop by 0.3 percentage point to four percent next year.

Based on the world economic indicators, an eight percent growth projection is a little higher.

At any rate, the country is expected to record huge current account surplus next year. Economic research organizations are even forecasting \$7-8 billion surplus, far higher than the government's projection of \$5 billion.

The surplus is based on \$3.9 billion worth of exports, up 12.7 percent from this year, and \$35.3 billion worth imports, up 12.1 percent.

The government plans to reduce foreign debt to \$42.3 billion next year from \$45 billion this year with the growing current account surplus.

Although the total external debt is to be reduced, money supply is expected to increase by 1,000 billion won from the trade surplus.

The government plans to issue bonds such as foreign exchange stabilization bonds and will set up an external economic cooperation fund next year to absorb money surplus caused by the overseas factor.

But it is feared that the excessive money supply will cause commodity prices to rise despite the government's efforts to absorb the overseas supply.

Furthermore, the government has set the total money supply increase at 14-18 percent next year so as not to weaken vital economic activity connected with exports.

The maximum 18 percent increase is the same as this year's although there is little affect on commodity prices this year.

The continuous high increase in total money supply is certain to stimulate commodity prices next year.

In trade aspects, the government plans to curb the trade surplus with the United States, while reducing the trade deficit with Japan next year.

The trade surplus with the United States increased to \$7.2 billion this year from \$4.3 billion. The trade deficit with Japan is expected to increase to \$5.3 billion this year from \$3 billion last year.

Such a trade imbalance is expected to cause strengthened protectionist moves by advanced countries and bring pressures to open the Korean market.

The government plans to encourage

domestic manufacturers to change export commodities to high value added categories such as electronics and precision chemistry goods for higher export growth.

To ease protectionist moves, the government will also open the Korean market further to a 93.5 percent level next year from 91.5 percent this year.

The government also plans to minimize the appreciation of Korean currency against the U.S. dollar so as not to hurt exports of the country.

Domestic interest rates, which are double those of other countries now, will be readjusted flexibly.

These two matters are of considerable interest to domestic manufacturers now.

The government will prepare for welfare system such as a medical insurance system for the rural community, a minimum wage system and a national pension plan to be introduced in 1968.

But economists have pointed out that the government should be cautious concerning the welfare system because of the huge budget costs once the systems are introduced.

Unutilized college graduates are another social problem although the unemployment rate will remain at the 3.6 percent level.

The government should positively correct the imbalance in supply between the human and technological sciences next year.

/9274

CSO: 4100/078

EPB'S PROJECTED TARGETS FOR 1987 QUESTIONED

Seoul KOREA HERALD in English 7 Dec 86 p 6

[Article by staff reporter Chong Bong-uk]

[Text]

Will the international environment next year remain favorable enough to fuel the 8.0 percent growth projected for the Korean economy? This was one of the questions raised by many scholars and business watchers in Seoul after the Economic Planning Board (EPB) announced a tentative economic management plan for 1987 Friday.

Basic data the EPB adopted in drafting projections for next year include crude oil prices, international interest rates, the value of U.S. dollar and the world trade volume in 1987 projected by renowned economic forecasting organizations, such as the Wharton Econometric Forecasting Associates, Data Resources Inc., Chase Econometrics, the National Institute of Economic and Social Research and the International Monetary Fund (IMF).

Let alone the relevancy of the EPB's compilation of their data, the EPB projects oil prices next year at \$15-18 per barrel, compared with this year's average of \$14.3; the yen-dollar parity rates at 140-160 to 1, compared with this year's 165 to 1; the U.S. prime rate at 7.6 percent, compared with this year's 8.4 percent; the London Inter-Bank offered rates at 6.3 percent, compared with this year's 6.8 percent; and the increase rate of world trade volume at 3.0 percent, compared with this year's 2.5 percent.

For a nation with an export-oriented economy, which still needs more foreign loans despite its tens of billions of dollars in foreign debt, the state of the international environment is a most critical factor for the success or failure of its economic plan.

The EPB projects the current account surplus to increase to a \$5.0 billion next year from an estimated \$4.5 billion won this year. The projections assumed a 12.7 percent increase in exports next year, with the export figure nearing \$40 billion mark, and a 12.1 percent rise in imports to total about \$35 billion.

Some scholars say the government ignored slowing imports by the United States, which are responsible for more than 40 percent of the nation's exports, when projecting the export target for next year.

Under the EPB projections, imports of advanced countries next year will increase about 6 percent over this year, compared with a 7.5 percent rise this year. The comparable growth rate for the United States will stand at 5.5 percent next year, compared with this year's 9.5 percent, the EPB said. Worse, some prominent economic forecasting organizations predict that the import growth rate for the American country will stand at a mere 3 percent or below.

The share of exports to the United States in the nation's total exports rose from 26.6 percent in 1981 to 33.7 percent in 1983, to 35.5 percent last year and further to 40.5 percent during the first nine months of this year.

Furthermore, indications are that the protectionist trend in the United States is on the rise, with the Democrats dominating both the Senate and House of Representatives.

"Under these conditions, can the nation increase exports next year that much?" This feeling expressed by a scholar teaching in a Seoul university is

shared widely by other scholars and business leaders.

Also at issue are the EPB projections for inflation rates next year. The inflation rates next year are projected as 1-2 percent for wholesale prices and 2-3 percent for consumer prices.

The Korean economy is most likely to be faced with a mounting inflationary pressure next year, because of the flexible monetary management this year and an expected ample liquidity situation next year caused by probable general elections and rising demands for facility investments.

The prices of raw materials have already started an upward trend. Mining products will see a 1.5 percent price increase next year, after a 2.5 percent decrease last year and a 2.0 percent decline this year, world economic forecasting organizations say.

Some local scholars say the inflation rates will stand at 5 percent or higher next year.

More close examination of the economic management plan for next year, however, will require an evaluation of policy measures for hitting the projected targets, which will be announced late this week or early next week.

| Projections for economic growth | | | | | | | |
|---------------------------------|-------|------------|---------------|----------------|-------------|--------|--------|
| (at 1980 constant prices) | | | | | | | |
| Item | 1985 | 1986 | | | | | 1987 |
| | | First half | Third quarter | Fourth quarter | Second half | Yearly | |
| GDP growth rate | 5.1% | 10.9% | 14.1% | 11.8% | 12.8% | 12.0% | 8.0% |
| Private consumption | 4.6 | 6.4 | 6.5 | 6.5 | 6.5 | 6.5 | 5.8 |
| Fixed investments | 2.8 | 14.8 | 13.5 | 13.5 | 13.5 | 14.0 | 9.2 |
| (Facility investments) | (4.7) | (23.9) | (22.3) | (22.0) | (22.1) | (23.0) | (12.0) |
| Commodity exports | 3.7 | 23.0 | 26.6 | 29.0 | 26.8 | 26.1 | 10.9 |
| Agro, forestry & fisheries | 5.9 | 4.8 | 9.5 | 1.4 | 3.6 | 3.8 | 2.5 |
| Manufacturing | 3.5 | 14.3 | 17.9 | 19.3 | 18.6 | 16.5 | 10.0 |
| Social overhead capital | 6.1 | 9.9 | 10.9 | 10.0 | 10.5 | 10.4 | 7.7 |
| Services | 5.6 | 9.4 | 11.1 | 11.3 | 11.2 | 10.3 | 7.6 |

* Figures for fourth quarter of 1986 second half and yearly are preliminary estimates.

/6091

CSO: 4100/072

30 BUSINESS GROUPS TO SELL STOCKS WORTH 1,530 BILLION WON

Seoul THE KOREA TIMES in English 16 Dec 86 p 9

[Text]

Thirty top domestic business groups will have to dispose of a combined total of 1,530 billion won worth of stocks crossly owned among group subsidiaries in accordance with the revision of the Monopoly Regulation and Fair Trade Act.

The fair trade act stipulates that cross ownership of stocks among subsidiaries of any business group will be prohibited and total investment into others should not surpass 40 percent of net paid-in capital of a subsidiary.

At the end of September this year, each of 30 business conglomerates held 14.6 subsidiary companies on average. The number of subsidiary firms of business groups has continued to increase despite the government's efforts to curb the concentration of business groups.

As the revised Fair Trade Act will be put into force next year, the Fair Trade Commission of the Economic Planning Board has conducted a survey on cross acquisition of stocks among subsidiaries of each group as of September this year.

According to the survey, 121 of the total 438 subsidiaries of 30 business groups, excluding financing and insurance firms, have owned stocks from other firms at more than 40 percent of their net paid-in capital each and the surplus totaled 907 billion won on the account books.

The revised fair trade act stipulates that the business groups should sell out each surplus stocks within five years by 1991.

The surplus is translated into 1,400 billion won at the street price, the Fair Trade Commission estimates.

The direct cross acquisition, which will be banned entirely by the revised law, has amounted to 297 billion won in 80 cases in 20 business groups in large-sum

cases.

In small-sum cases, the cross stock acquisition excluding financing and insurance firms has come to 130 billion won, the commission estimates.

The stocks direct crossly owned among subsidiaries of a group should be disposed of within three years or by 1989.

Consequently, the combined stocks that 30 business groups should dispose of in three to five years, amounts to 1,530 billion won in street value, commission officials said.

Large amounts of stocks are expected to move among firms either through sell-out or by an increase of paid-in capital.

The bill, subject to passage at the main session of the National Assembly, will not be applied to finance and insurance companies.

In terms of ranking of groups in total turnover, 38 subsidiary firms of the leading top five groups have registered combined 367 billion won beyond the total stock acquisition limit based on book value.

Twenty-one firms in the next top five groups have recorded 198 billion won and 25 firms in groups ranked between 16th and 20th have a surplus of 79 billion won in stocks and 11 firms (21th to 25th) have a 47 billion won surplus in stocks and nine firms in the last five groups have chalked up 5 billion won in surplus stocks.

In direct cross ownership of stocks, 22 of the 30 leading business groups have carried out direct cross ownership of stocks in 97 cases totaling 515 billion won in large-sum cases and 77 billion won in small-sum cases.

But direct cross ownership when finance and insurance firms are excluded stands at 80 cases in 20 groups. The face

value has totaled 297 billion won large-sum cases and 66 billion won in small-sum cases.

The subsidiary firms of the top 10 groups number 23.2, and those of the next 10 groups 11.5 and those of the last 10 groups average 9.1 firms.

The number of subsidiaries of the top 30 business groups on average declined to 14.6 firms at the end of September, from 14.7 at the end of 1983 although the average number was 13.4 firms at the end of 1982.

Lucky-Goldstar Group has the largest number with 51 subsidiaries, followed by Samsung with 31, Hyundai with 29, Daewoo with 27, Lotte with 26 and Doosan group with 21.

Among the top 10 groups, Samsung and Lucky-Goldstar have been engaged in 16 lines of business, Hyundai and Korea Explosive in 14 business lines, Hanjin in 13, Daewoo, Ssangyong and Dong-Ah in 12 each, Sunkyong in nine and Daelim in eight.

/9274

CSO: 4100/079

S. KOREA/SCIENCE AND TECHNOLOGY

ERA OF 'LNG,' CLEAN ENERGY, COMES TO KOREA

Seoul MAEIL KYONGJE SINMUN in Korean 1 Nov 86 p 3

[Article by reporter Pak Hyop-muk: "Clean energy 'LNG' Comes to Korea"]

[Text] The era of the clean energy, LNG (liquefied natural gas), has just been opened. It has been approximately 5 years since the project for the import of LNG in this country was initiated, and 3 and 1/2 years since the construction of the reception facilities began: and, for the first time, 57,000 tons of LNG is brought into the port of Pyongt'aek. On the morning of 1 November, the Korea Gas Corporation is preparing a ceremony celebrating the entry of the first LNG carrier to Korea, Golarspirit, and the opening of the LNG era in Korea. Distinguished guests present include the president of the Indonesian Petroleum Corporation, Lamry, the chairman of the French Gas, Alby and the president of the Korea Gas Corporation Mun Hui-song.

The Korean Government initiated the LNG import program in 1981. At that time, because of the two oil crises, switching from oil to the other stable long-term energy sources became the premier task of its energy policy.

Since LNG was a non-polluting and safe energy source, the Korean Government chose it, and, in December 1982, it enacted the "Korea Gas Corporation Law" to deal with LNG import.

In August 1983 the government established the Korea Gas Corporation which signed the LNG import agreement with PEKfAMINA, the state-owned Indonesian petroleum corporation. In the agreement Korea will annually import from Indonesia 2 million tons of LNG for 20 years from the end of 1986 to 2006.

Immediately following the agreement, the Korea Gas Corporation started the construction of the LNG reception base in Pyongt'aek, the main distribution pipeline and the urban distribution networks.

In the process of the construction, this 500 billion won ultra-big project experienced numerous setbacks. During the first half of 1984 the main contractor from France, Technigaz, filed for bankruptcy, and it took a while to overcome this headache. Following this, the Kyongnam corporation, the mother company of Frichad Korea, which had designed the project, went under.

Kyongnam was eventually absorbed into Daewoo Engineering which took over their predecessor's job, but some disarray was inevitable. However, these setbacks were effectively overcome, and, by 21 October, 99.5 percent of the construction project was completed.

In the reception base, as it was originally planned, three 100,000 kl. tanks have been completed (the fourth tank is planned to be completed by next July). The main distribution pipeline (98 km) between Pyongt'aek and Inch'on has also been completed. The urban distribution networks (109 km) will be completed by the end of this year. Preparation for the coming LNG era is in our hands.

The Korea Gas Corporation is planning to supply LNG for power generation from the 20th of this month and for urban consumption from next January. Out of 57,000 tons in the first shipment, 8,000 tons will be used for the cooling test of the supply facilities; 44,700 tons will be supplied to the Pyongt'aek thermal power station for generation; and, the remaining 4,800 tons plus 57,000 tons from the second shipment, which will arrive by 15 December, will be stored in the storage tanks.

Next January LNG will replace LPG (liquefied petroleum gas) which has been used by the 310,000 households in the metropolitan Seoul area. The fuel replacement will proceed step-by-step until next March. The Korea Gas Corporation has a long-term program of expanding the supply of LNG to the Seoul-Inch'on axis and even to the Ch'ungnam area. According to this long-term program, the Korean Government will work to increase the number of the gas-consuming households from 420,000 to 860,000, nationally, by the end of 1987, and from 310,000 to 650,000 in the metropolitan Seoul area.

Since LNG has some advantageous features as fuel, it is expected that the supply of the fuel will bring various benefits to Korean life.

Natural gas can be liquefied at 160 degrees below zero centigrade, and the impure substances, like carbon dioxide, sulfurets, metal particles, etc., need to be removed to make the liquefying process complete. As a result, LNG becomes a pollutant-free fuel, hence it is called a clean energy.

In addition to that, LNG has a much lower level of explosive risk than LPG does, because the leaked LNG evaporates to become a lighter substance than the air and disappears into the air. Moreover, the energy efficiency of LNG is much higher than that of electricity or oil, and its heating value is 1.6 times higher than LPG.

Beyond the convenient features of LNG, it is expected that its mass consumption will carry various economic benefits.

The diversification of the energy source has always been a goal of the Korean energy policy, and the introduction of LNG fits into the policy. Most important of all, it adds the stability of energy supply for Korea. The investment size of one-unit LNG supply-reception facilities takes \$4 billion: 3.3 billion for the supply facilities and \$700 million for the one-unit reception facilities. Because of this mammoth investment, the supply-reception contract of LNG presupposes a stable supply-demand relationship. In order to prevent the revocation, a LNG contract must include the items:

1) the term of the contract must be 20 years or longer; 2) the inclusion of "TAKE OR PAY" (regardless of the amount of LNG received, one should pay for the contract amount).

If you compare an LNG contract with that of petroleum, the difference becomes obvious; a typical petroleum contract extends, at the most, for 2 years. The hardened position from supplier means the stability of supply for receiver.

Besides, LNG can replace LPG and naphtha. In 1987 alone, it is estimated that LNG will replace 86,000 tons of LPG and 111,000 kl of naphtha.

On the other hand, at the opening of the LNG era, there are many problems still to be solved.

Most important of all, how LNG will compete against LPG in the Korean market in terms of price? This issue of price competition is related to the negotiation of the LNG price with Indonesia and to the strategy of developing demand for LNG in the domestic market.

At the beginning of 1980, when the LNG import program was promoted, the oil price was so high (about \$30 per barrel) that LNG had the competitive edge over LPG. But, entering this year, the oil price plunged to the half of that level, thus the economic compatibility of LNG in the domestic market is greatly threatened. The Korean Government acknowledges the problem and, through its negotiations with the Indonesian Government, does its best to reduce the import price level as much as possible. But, due to the heavy investment into the basic facilities, it is doubtful whether LNG will be able to sustain the edge in price over LPG. Since the Korean Government is planning to support LNG by not lowering the LPG price in accordance with the decline of the oil price, the LNG price will probably remain "artificially" competitive.

The other problem is the creation of demand for LNG. In 1987, during the first year of LNG consumption, the Korean Government is planning to import 1,554,000 tons, out of which 142,000 tons (9.13 percent) will be allocated for the urban gas consumption and the remaining 1,412,000 tons (90.87 percent) for the electric power generation.

The strategy of governmental created demand has the goal of annually expanding the target of the urban gas consumption to reach 492,000 tons (24.6 percent of 2 million tons) in 1990.

Up to that point, regardless of its actual demand for LNG, the KEPCO (Korea Electric Power Co) will be forced to take over the excessive LNG. That, in turn, will push the power generation cost higher, if LNG fails to be "naturally" competitive.

13158/9312
CSO: 4107/042

S. KOREA/SCIENCE AND TECHNOLOGY

SERIES OF KEY SUBSTANCES IN GENETIC ENGINEERING DEVELOPED

Seoul MAEIL KYONGJI SINMUN in Korean 6 Aug 86 p 8

[Text] A series of substances key to genetic engineering research, particularly in the separation of specific parts of a gene, has been developed and is expected to be exported to the United States, Japan and other countries.

Chechol Chemicals (CEO: Kim Chan-wook) has announced that it has successfully developed eight different types of elements for gene splicing, using genetic engineering technology, and has begun marketing the products.

The new elements are essential in genetic engineering research where a desired gene can be incorporated into another biological gene by isolating the portion needed for the procedure.

Chechol Chemicals' new commodities are ALU-I and seven other types used to segregate a peculiar component from a specific alignment of genes.

Chechol Chemicals researchers developed a technique to extract such substances from bacteria and microorganisms through genetic manipulation to enable them to proceed in mass production using large quantity fermentation facilities.

At present, there are 400 known gene splicing substances, of which 80 are in commercial use. In addition to the eight new discoveries, Chechol Chemicals plans to market 10 new types in the near future.

As a result of domestic research activities, Korea expects to save \$100,000 in annual imports plus gains in exports to the United States, Japan and other countries.

Dr Kim Young-joon, who led Chechol's research effort, said imported items have in the past posed safety and storage difficulties, which could not be eliminated through domestic production.

13270/12232
CSO: 4107/230

S. KOREA/SCIENCE AND TECHNOLOGY

DEVELOPMENT OF NEW HIGH TECH RUBBER MATERIALS PLANNED

Seoul MAEIL KYONGJE SINMUN in Korean 14 Aug 86 p 7

[Text] Kum Ho Petroleum Chemicals (CEO: Lee Chung-whan), which specializes in synthetic rubber production, plans to invest 100 billion won by 1989 in high tech rubber materials, such as BR (butadien rubber), bisphenos A, ethylele propylene and methyl isobutyl ketone (MIBK).

The company said on 14 August that it will build a BR and S-SBR twin plants complex for 30 billion won with an annual production capacity of 30,000 tons.

Kum Ho also is negotiating for foreign investment and technical assistance for production of 10,000 tons of bisphenol and has budgeted 30 billion won for that project.

Bisphenol (BP) A is a promising substance for such high tech substances as polycarbonate resin, epoxy resin, phenol resin, acidification resistant and polyester ingredients.

MIBK, used for synthetic resin, lacquer, grease remover and pharmaceutical products, will be manufactured at a 6 billion won plant with an annual output capacity of 5,000 tons for which negotiations are underway with a technical partner.

Kum Ho is also building an EP plant with an annual capacity of 10,000 tons in conjunction with the Japan Synthetic Rubber Co., splitting the 32.86 billion won cost at 65 percent and 35 percent, respectively. EP rubber is used for automobile bumpers, tire tubes, electric wire, construction rubber sheets and industrial rubber g-ods. Noted for its fire and electricity resistant features, the EP material has been imported to meet the entire annual demand of 7,600 tons at a cost of 11 billion won a year.

Currently, Kum Ho Petroleum Chemicals produces 193,000 tons of synthetic rubber each year, including 100,000 tons of SBR and 25,000 tons of BR at its Woolsan and Yujoo plants. The forthcoming local porduction of BPA, MIBK and EP rubber materials will greatly reduce the industry's import dependency.

13270/12232
CSO: 4107/230

S. KOREA /SCIENCE AND TECHNOLOGY

DEVELOPMENT OF MULTIFUNCTIONAL NEW CERAMIC PALC ANNOUNCED

Seoul MAEIL KYONGJE SINMUN in Korean 14 Aug 86 p 8

[Text] South Korea is on the verge of producing construction material using "new ceramics," known as the 21st Century's high tech substance, saving import costs and upgrading energy efficiency while utilizing untapped domestic resources.

The Samick Ceramic Homes (CEO: Leo Chong Rok) announced on 14 August that it has developed a multifunctional new ceramic palc that eliminates the deficiencies of bricks and concrete blocks using silica and limestone, both items rich in reserves in Korea.

New ceramic palc has been tested by the National Construction Testing Lab, National Power Resource Research Institute and National Standardization Research Institute and has proven to weigh 1/5 of concrete, be fire retardant at 1,000 degrees Celcius and be 10 times more capable of heat resistant while its minute air pockets can absorb noise, and provide excellent acoustics.

The material is also known to be effective in preventing frosting, cracks, mildew and household bugs. Also, it can be used in all phases of construction, ranging from permanent structure to depreciable and water proof materials, allowing construction in all weather conditions year round, and saving 20 percent in overall costs.

Samick Ceramic Homes began construction of a 23 billion won plant in September of 1985 at Choongbuk Chungjoo and expects to product 120,000 square meters of the material (90,000 sheets to cover 100,000 pyung or 100 acres of floor space). Completion is slated for September 1986, and talks are underway for sales to Southeast Asia and South Pacific.

13270/12232
CSO: 4107/230

DIGITAL SWITCHING SYSTEM TX-1 MODEL DEVELOPED

Seoul THE KOREA HERALD (Supplement) in Korean 9 Dec 86 p 3

[Text]

The digital switching system development project at ETRI, funded by the Korea Telecommunication Authority (KTA), started in 1978.

During the initial period until 1982, three generations of laboratory models were developed. The third laboratory model (TDX-1X) was put out for field trial from July 1982 to December 1983 at the Songjeon Post Office, which is in a rural town south of Seoul, with 400 subscribers.

In September 1982, ETRI commenced to develop TDX-1 as a production model based on the third laboratory model (TDX-1X).

The field verification testing of TDX-1 began in April 1984 at the Seotaen and Yuseong Exchange Offices in Taejeon City area.

The trial production of TDX-1 by local manufacturers began in April 1985.

As family of TDX-1, Remote Subscriber Switching System (RSS), Remote Subscriber Multiplexer (PSM) and Centralized Switching Maintenance System (CSMS) are also under development and will be commercially available in 1986.

The TDX-1 is a fully digital time division switching system designed to be applicable for rural and suburban local offices.

Due to its highly modular hardware design with all microprocessor fully distributed control, the system exhibits cost linearity even in the very small capacity range.

The number of circuit board types is considerably minimized by modular design, standardized interfaces and adoption of single type general purpose microprocessor boards.

Software also has a modular flexibility to facilitate new feature additions. Programs have been developed using modern software engineering techniques and tools.

The operation and maintenance of TDX-1 can be remoted using the CSMS in O&M center.

TDX-1's functions

The TDX-1 offers various functions that will satisfy the worldwide requirements of most telephone administrations. The services are composed of subscriber services and interexchange services.

Subscriber services

• Ordinary subscribers

- PABX
- Coin box
- Party line
- Call barring
- Absentee service
- Wake-up service
- Conference calling
- Three-way calling
- Abbreviated dialing
- Malicious call tracing
- Hot-line service
- Warm-line service
- Call waiting
- Call transfer
- Interception service
- Detailed charging
- Bulk charging
- Extempore charging
- Periodic pulse-metering
- Dial pulse telephone set
- DTMF (MFC) telephone set

Interexchange services

- R2-MFC
- Loop-decadic
- Digital trunk
- Analog trunk
- Offering
- Rering

Design considerations

The TDX-1 is a fully digital time division switching system based on distributed and modular architecture. Some key objectives in the TDX-1 design are as follows:

Modular structure — The structure of TDX-1 is based on the standardized modules and control units connected to the digitalized networks. This unique architecture of TDX-1 makes system expansion very easy through the addition of modules and control units. Also, when new features are required in the future, they can be easily implemented without changing the whole system.

Distributed control — The control of TDX-1 is composed of single processor type and distributed over two levels of processor hierarchy. The first level processor units, which are directly connected to telephony devices, control line and trunk circuits or control system peripheral equipments for administration and maintenance. The second level units, which are fully duplicated, perform higher level switching functions such as call processing, maintenance, administration, number translations, etc. The control of whole system is implemented by an efficient interprocessor communication procedure.

Software flexibility — A key concept used to implement the distributed software environment of TDX-1 is the modular software design based on finite state machine and message communication scheme.

The TDX-1 software consists of operating system, call processing, administration processing and maintenance processing.

For enhanced flexibility of development and maintenance, all software modules and submodules are linked by link control table, which localizes the impact of changes.

Fail safe — Through the unique distributed and modular concepts of TDX-1, the TDX-1 is highly fail safe and only limited groups of lines and trunks can go out of service at any given time. Many functional units are duplicated, essentially eliminating the risk of disrupting the entire system.

Structure — The figure above shows how the TDX-1 system is designed and divided into system products and subsystems. Each subsystem has hardware and/

or software content, and is decomposed into function blocks, implementation units and functions in a top-down hierarchical fashion.

Overall structure

The TDX-1 consists of Switch Network (SN), subscriber and trunk modules and control complex. The SN is a T-S-T structure providing 4,096 incoming and outgoing PCM channels. The Analog Subscriber Module (ASM) converts analog signals from subscriber lines into the PCM format of 2.048 Mbps that terminates at the SN.

The ASM also performs the traffic concentration and signalling function for 512 subscriber lines. Similarly to the ASM but without traffic concentration, the Analog Trunk Module (ATM) interfaces 256 analog trunks to the SN.

The Digital Carrier Subscriber Module (DCSM) and the Digital Carrier Trunk Module (DCTM) are designed to directly terminate the T1 (1.544 Mbps) carrier subscriber lines in units of 512 lines and trunks in units of 256 trunks, respectively.

The control complex is a hierarchical network of microprocessors, B & D-level Processors (BP's & DP's) and T-level Processors (TP's) to control the TDX-1 through a distribution of the processing load and functions.

Switch network module

The switch network module provides the time division network for exchange switching with associated functions of network synchronization and multiple switching.

Switch Network (SN) — The Switch Network (SN) switches the channels on time-multiplexed PCM buses incoming from and outgoing to the subscriber and trunk modules. It is based on a time-space-time (T-S-T) switching architecture consisting of Multiplexer (MUX)s, transmit T-switches, S-switches, receive T-switches and Demultiplexer (DMX)s as shown in Figure 2. A MUX multiplexes 32 PCM lines of serial 2.048 Mbps into a byte parallel data stream of 8.192 Mbps that feeds to a T-switch.

A DMX performs the same operation in opposite direction. A T-switch performs the time slot interchanging for the 1,024 channels of speech data between the MUX (or DMX) and the S-switch. The S-switch performs the space portion of the switching between upto 4 pairs of T-switches, thus providing the overall switching capacity of 4,096 one way channels or 2,048 both way channels.

Network synchronizer (NS) — The Network Synchronizer (NS) handles network synchronization and supervision functions when the TDX-1 interfaces with the

switched digital network. It also distributes the clock signals to SN, DLC, DCTM, and DCSM. The NS is triplicated for reliability and maintenance reasons.

Multi-switching — As part of the switch network module, a multi-junctor circuit is provided in the TDX-1 so that it can set up calls between up to 4 parties during a conference call or trunk offering call.

Subscriber and trunk module hardware units

Line and Trunk Circuit

■ Analog line circuit (ALC)

The ALC has been designed to terminate ordinary subscriber lines, coin boxes, PABX lines and party lines. The interface functions, commonly referred to as the BORSCHT functions. These are implemented by using hybrid IC's and several new LSI devices including SLIC and CODEC chips. For ordinary subscriber lines, 8 circuits are mounted on a standard board.

■ Analog trunk circuit (ATC)

The ATC terminates high traffic voice frequency trunks such as various interoffice trunks and trunks to switch boards or operator positions. The ATC is similar to

the ALC in its facility interface functions and is implemented on a per circuit basis using the same LSI and hybrid IC devices.

■ Digital carrier trunk/line circuit (DCTC/DCLC)

The DCTC/DCLC is designed to terminate digital carrier trunks in units of 3 T1 lines (120 trunks) or 4 CEPT standard 32 channel PCM lines.

Digital line concentrator (DLC) — The DLC is to concentrate subscriber line traffic and to allocate time slots for signalling devices. A time division switch unit of 1,024 time slots is employed for both directions to realize a 512 both way channel grid.

Signalling units — The DTMF Receiver (DTMFR) unit is responsible for reception and decoding of DTME code signals from push button telephone sets. Eight receiver circuits are packaged on a board, and up to 32 receivers (one 2.048 Mbps PCM line from the DLC) are provided for a subscriber module of 512 lines. For a module of 256 trunks, the CCITT R2 MFC Sender Receiver (R2 SR) unit provides 32 Senders and 32 Receivers for trunk signalling that are packaged on 8 boards containing onboard bit slice microprocessors.

• /6091

CSO: 4100/073

STATUS, OUTLOOK OF AUTO-PARTS INDUSTRY EXAMINED

Seoul KIGYE KONGOP in Korean Oct 86 pp 80-86

[Article by Yim Ki-ch'u, researcher at the Korean Energy and Resources Research Center: "The Status of the Auto-Parts Industry and Its Tasks"]

[Text] (Editor's note: This article is intended to probe into the auto-parts industry's problems associated with Korea's entry into the U.S. car market, in order to explore the road for the auto-parts industry to traverse in the future. While domestic finished car production is making rapid progress, most of the country's auto-parts firms, except very few, are still operating on a small scale. This makes it all the more urgent to take measures to cope with this situation. For this reason, this article surveys the present status of the auto-parts industry with a view to focusing on its problems, examining its outlook, and finding ways of solving these problems).

I. Foreword

The nation's auto-parts industry is entering a great transitional period as a result of the recent upsurge in finished-car exports and moves by foreign automobile industries to build auto-parts supply bases in our country.

As a result of Korean cars' entry into the U.S. automobile market, the nation's auto-parts industry is expected to make rapid growth this year in terms of quality and quantity. In this sense, this year seems to be a very significant year marking a watershed in the development of our auto-part industry. Last year the industry launched a full-scale drive to increase and modernize production facilities and put production quality and technology on a par with international levels, and it intends to intensify this drive this year. This is because an increasing number of big firms are expected to enter the auto-parts manufacturing field, forcing change in the existing market. The industry is also achieving success in improving product quality thanks to government support and through technical tie-ups with foreign firms. With a flurry of activity to boost our auto-parts industry, such as dispatching of trade missions overseas, utilization of overseas permanent markets in Chicago, Paris, and elsewhere, and holding of exhibitions overseas, our country is expected to emerge this year as a nation with a full-fledged auto-parts industry.

II. Present status of the auto-parts industry

1. Industry's general outlook

The auto and auto-parts industries are inseparably related to each other. Made up of more than 20,000 parts, an automobile is an assemblage of products from a wide spectrum of industry ranging from steel, rubber, plastic, asbestos and glass to presses, precision instruments, and electronic gadgets.

The development of the auto-parts industry depends on a smooth growth in the car industry, the user of parts. A small number of large corporations on the whole monopolize the car market whereas a large number of small and medium firms form the backbone of the auto-parts industry, the supplier. For this reason, the business of auto parts makers is, in reality, largely affected by the purchase policies of the car manufacturers. Needless to say, if parts makers are competitive and if there are parts which lend themselves to monopoly, then these parts makers will not be affected much by the auto manufacturers' purchase policy.

But the question remains: How many auto-parts are there which lend themselves to monopoly? Almost all of our auto-parts makers are small-lot producers of different parts, with no field of specialty. This is responsible for the slowness in the technical and quality development of their products and for their high production cost. The average auto-parts maker in our country is said to operate on a medium scale. But the scale of our auto-parts industry is still too small to adapt itself timely to technical progress in the constantly developing machine industry, and the smallness of the scale is impeding the development of the auto-parts industry. Because the auto industry can earn foreign exchanges, because the volume of worldwide car trade is so huge, and because auto parts have a greater accessibility to export markets than any other parts, our government is taking strong measures to bolster the auto-parts industry, regarding it as a strategic export industry. Particularly, it has encouraged parts makers, mainly large firms, to specialize in specific parts and organized them into operating groups to handle financial and technological matters collectively.

2. Growth trend

As of the end of 1985, approximately 840 were engaged in auto parts production. Table 1 shows the comparative weights of firms operating on different scales, along with their lines of products and characteristics.

Table 1 on following page

Table 1. Current Status of the Auto-Parts Industry

| Business scale | Number of firms | Production items and processes | Characteristics |
|----------------|-----------------|--|--|
| Large | 65 (8%) | Component parts with capital-intensive characteristics: Bearings, springs, etc. | High degree+ of independence in capital and technology |
| | | Parts made with special materials: Plastic bumpers, etc. | High rate of automation. |
| | | Common-use parts: tires, belts, batteries, etc. | Capital-intensive type and high labor productivity. |
| | | Functionally important finished products: Engines, transmissions, and wheel axle. | Have highly qualified technical personnel. |
| | | Firms producing other general parts: Mass production of large varieties of items. | But have low capacity rates and a low export-sales ratio. |
| Medium | 578 (69%) | Functionally important intermediary parts: Engine parts, transmission parts, and axle parts. | Aligned according to types of manufacture under small and medium business promotion law. |
| | | Processed precision parts: Pistons, metal bearings, universal joints, head bolts, etc. | Low degree of capital and capital independence. |
| | | Other assembly parts: Radiators, carburetors, pumps, meters, electronic instruments. | Short of highly qualified technical personnel |
| | | Parts with a high export percentage: Tire chains, back mirrors. | High rates of alignments and specialization. |

rubber hose.

Firms with specialized processes: die casting, etc.

High operating rates and a high export-sales ratio.

Firms producing varieties of parts in small lots.

Occupy the most important place in terms of the number of firms and the volume of sales.
(Measures for fostering the auto-parts industry are designed to upgrade their size and bring them up to the international level).

Small 198
(23%)

Parts produced by secondary producers: Supplied to large parts producers.

Weak in all respects from the operating rate to productivity.

Maintenance parts.

Nonfunctional parts and simple processed parts.

Firms producing a small variety of parts in small lots.

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- Remarks: 1. Large-scale firms: More than 500 employees.
2. Medium-scale firms: 50 to 500 employees.
3. Small-scale firms: Less than 50 employees.

Thanks to the initiation in 1970 of a policy of producing auto parts domestically, and spurred by the increase in finished car production, auto parts companies have made large-scale plant investments, resulting in a marked increase in parts production. The second oil crunch dealt a serious blow to the automobile industry. However, with the recovery

of activity in the auto industry since 1982, demand for auto parts has rapidly increased. The volume of auto parts sales nearly quadrupled, jumping from 411.8 billion won in 1981 to 254.4 billion won in 1985. (See Table 2).

Table 2. Sales Volume of Auto Parts

| Division | 1981 | 1982 | 1983 | 1984 | 1985 |
|------------------|-------|-------|-------|-------|--------|
| Domestic demand: | | | | | |
| Assembly-parts | 3,323 | 4,757 | 6,189 | 7,822 | 10,118 |
| Maintenance- | | | | | |
| parts | 332 | 475 | 628 | 1,108 | 1,100 |
| Exports | 163 | 193 | 553 | 883 | 1,326 |
| Sales | 4,118 | 5,725 | 7,370 | 8,813 | 12,544 |

The recovery trend has been evident in capacity utilization rates. As Table 3 shows, the operating rates dropped to 43 percent in 1980, the year of the second oil shock, but they subsequently rose continuously to 86 percent in 1985. This rate is higher than the average operating rate of all small and medium businesses, indicating that the auto-parts industry is faring well.

Table 3. Operating Rates of Auto-Parts Industry

| Division | (in percentage) | | | | | |
|---------------------------------|-----------------|------|------|------|------|------|
| | 1980 | 1981 | 1981 | 1983 | 1984 | 1985 |
| Auto-Parts Industry | 43 | 48 | 56 | 68 | 78 | 86 |
| All small and medium industries | 71.1 | 74.7 | 76.2 | 77.3 | 78.4 | 79.2 |

3. State of exports

Auto-parts exports began to rise steadily in the last year of the first 5-year economic development plan, reaching \$1.15 million in 1981, or a 34.8 percent increase over the preceding year. Thanks to the government's export support policy which was initiated as part of the third 5-year economic development plan, they have increased at a still faster pace. In 1985 in particular, auto parts exports hit a record high of \$148.95 million. This success is attributable to the efforts on the part of auto-parts makers to increase exports. But it is also due to the government policy designed to develop our auto industry as a strategic industry and the concentrated efforts of the businesses concerned to consolidate their export bases and explore markets in line with this policy. (See Table 4).

Table 4 on following page

Table 4. Auto-Parts Export Figures

| Division | 1971 | 1975 | 1978 | 1981 | 1985 |
|---------------|-------|-------|--------|--------|---------|
| Export volume | 1,159 | 9,688 | 29,806 | 66,212 | 148,951 |

Table 5 shows exports figures by major auto parts in recent years.

Table 5. Export Figures of Major Parts

| (in thousands of dollars) | | | |
|---------------------------|--------|-------|------------|
| | 1984 | 1985 | Increase % |
| Alternator | 1,183 | 1,785 | 150.9 |
| Auto Bulb | 1,385 | 1,443 | 104.2 |
| Axle | 1,300 | 1,196 | 92.0 |
| Back Mirror | 2,899 | 4,023 | 138.8 |
| Battery | 2,817 | 1,026 | 36.4 |
| Bearing | 3,228 | 5,567 | 172.5 |
| Bolt & Nut | 708 | 1,466 | 207.1 |
| Castings | 3,068 | 3,335 | 108.7 |
| Car Stereo | 5,019 | 7,116 | 141.8 |
| Clutch Cover | 1,658 | 2,047 | 123.5 |
| Clutch Disc | 1,271 | 1,324 | 104.2 |
| Cylinder Linder | 160 | 1,128 | 705.0 |
| Engine Mounting | 3,039 | 2,623 | 86.3 |
| Engine | 1,561 | 1,854 | 118.8 |
| Engine Valve | 2,096 | 2,164 | 103.2 |
| Fan Belt | 2,169 | 2,139 | 98.6 |
| Filter & Element | 1,106 | 2,276 | 205.8 |
| Gear | 4,072 | 5,725 | 140.6 |
| Hydrovac | 590 | 1,172 | 198.6 |
| Leaf Spring | 10,282 | 8,991 | 87.4 |
| Metal Bearing | 1,699 | 1,874 | 110.3 |
| Nozzle | 1,751 | 2,903 | 165.8 |
| Oil Seal | 434 | 1,232 | 283.9 |
| Piston & Pin | 1,863 | 2,757 | 148.0 |
| Piston Ring | 2,335 | 2,630 | 112.6 |
| Radiator | 3,100 | 5,780 | 186.5 |
| Seat Cover | 1,969 | 2,335 | 118.6 |
| Tire Chain | 5,358 | 3,928 | 73.3 |
| Wheel Disc | 5,105 | 4,172 | 81.7 |

Note: Only parts with an export amount of \$1 million or more listed.

On the other hand, with large foreign firms on a move to build parts supply bases here as part of their cost reduction efforts, our parts makers are actively promoting technical tie-ups and joint investments with manufacturers in advanced countries. Table 6 shows technical tie-ups and joint investments by our part makers and large foreign manufacturing companies for the production of assembly parts. To be sure, a considerable number of firms other than those listed are trying to undertake auto parts exports through tie-ups with foreign firms.

Table 6. Technical Cooperation and Joint Investments in the Auto-Parts Industry

| Company name | Provider | Part |
|--------------------------------|--------------------------------------|--|
| Daewoo Precision | U.S. GM | Electronics parts automation equipment, steering devices |
| Kia Industries | U.S. TRW | Steering devices |
| Chechol Chemicals | U.S. GM | Bumpers |
| Samsung Radiator | Japanese Radiator | Aluminum radiators |
| Lucky | Negotiations with 3 U.S. firms | Engineering plastic parts |
| Sansung Corporation | U.S. Chrysler | Negotiations under way on parts |
| Delco Battery | U.S. GM | Batteries |
| Mando Machinery | U.S. Ford | Aluminum radiators |
| Korea Tire and Segye Mulsan | U.S. Delco Remy | Batteries |

III. Problems facing the auto-parts industry

Whereas our domestic car industry has been growing rapidly, most of auto-parts makers, except very few, have been unable to keep pace with this progress because of the smallness of scale. (See Table 1). Factors responsible for this phenomenon are analyzed below.

1. Problems involving development policy

As a general pattern in advanced countries, some of them built a firm foundation of the auto-parts industry before fostering a car manufacturing industry, and others, from the beginning, developed the auto and auto parts industries simultaneously in a balanced way.

But in our country, priority was given to car production from the early stage of development; therefore there was a structural imbalance from the start. As the full-scale export of Korean-made passenger cars began last year, this and other contradictions drew attention as fundamental problems which stand in the way of developing the auto industry as a strategic export industry.

2. Lack of a systematic production mechanism

In our country, the smallness of car production scale and the low ratio of the number of families having cars to the total number of households generate insufficient demand for auto parts, and the auto-parts industry lacks system, flooded with small producers. There is no effective system of division of labor due to the absence of specialized production and systematic business alignment.

This is because the efforts to develop specialization in parts manufacture and align parts manufacturers under the government initiative have been overly concerned about form, thus failing to take roots. Particularly, in the case of some nondurable parts which are much in demand and which are easy to manufacture, there is excess competition among their manufacturers. It is not uncommon that more than three manufacturers supply the same kind of part to the same auto maker where they are supposed to align themselves for division of labor.

3. Limited facilities and low technical levels

Needless to say, the recent moves among the car makers to produce export-oriented cars urgently require introduction of automation equipment and single-purpose machinery, as well as replacement of obsolete facilities. But they find their ability to meet this urgent need limited because they have only a limited ability to raise necessary funds. Even if new equipment is introduced, it will be placed side by side with the existing multi-purpose and hand-operated equipment, making it difficult to maintain a logical system of production processes.

Moreover, the levels of technology in designing, material processing, precision processing, heat treatment, metal molding, etc. still remain at a rudimentary stage. There is also an absolute shortage of engineers and skilled workers due to the low wages. What is more, investment for technical development is very sluggish.

4. Export bottlenecks

Exporting a variety of parts, mainly single-purpose maintenance parts, in small lots is the main type of export adopted by our auto-parts makers. Most parts makers, except those operating on a medium or large scale, are said to have no separate department dealing with exports. Therefore these small-scale parts makers are exporting their wares indirectly rather than directly, and they have no ability to collect information on overseas markets and technological development overseas. On the other hand, large-scale parts makers are trying to form joint ventures with overseas firms to export parts, but these efforts are not likely to succeed soon.

This is because, at the present stage, it is difficult for even large parts makers to deliver assembly-parts on time despite the fact that in the export of these parts, the prices and quality are important, but

timely delivery is more important. Moreover, the parts makers themselves to export parts, they have to have huge warehouses in export market areas to store the parts. But this is not an easy thing to do right away.

5. Operational difficulties

The financial position of auto-parts makers is weak and their financial expenses are high because of their excessive loans. Moreover they have to spend much in nonoperational expenses because they are subordinated to auto makers. Despite of the low wages, their sales, overhead, and wage expenses account for a relatively large proportion of their business expenses.

6. Backwardness of material quality

The quality level of materials used in auto parts is low due to the backwardness of the related material industries, such as steel, specialty steel, sheet steel, and nonferrous metals. Yet many of suppliers of these materials hold a monopoly for their goods and impose a minimum purchase requirement on their purchasers or demand advance or cash payment, causing difficulty to the parts makers. This makes auto-parts makers more dependent on imported materials, and the high import tariffs and the strong yen push up their production cost still higher.

IV. Outlook of the auto-parts industry

As a spin-off of a successful entry into the Canadian and U.S. markets by our auto makers, there has been improvement in auto-parts production in our country to a certain extent. Our auto-parts industry is expected to improve its international competitiveness by dint of the government's active support for it as a strategic export industry and through technical tie-ups or joint ventures with foreign firms (See Table 6). Our country is expected to emerge as a full-fledged auto-parts supplier thanks to many-sided supportive efforts, such as the dispatch of trade missions abroad by related organizations, the active utilization of existing overseas markets in Chicago, Paris, and elsewhere, and the holding of parts exhibitions.

On the basis of this outlook, this year's auto-parts export goal is set at \$200 million, or an increase of 34.3 percent. In 1990, auto parts sold at home and those exported are expected to reach 4 trillion won and \$650 million respectively.

The auto-parts industry is looking forward to achieving a high average annual growth of 19 percent up to 1990, and is expected to surpass the auto industry beginning in the latter half of the eighties in terms of the size of added value created. (See Table 7).

Table 7 on following page

Table 7. Outlook for Increase in Auto-Parts Demand

| | (Percent) | | |
|-------------------|-----------|---------|-------|
| | 1984-86 | 1987-91 | 1991- |
| Domestic demand | | | |
| Assembly-parts | 20.0 | 18.5 | 13.0 |
| Maintenance-parts | 17.5 | 16.0 | 14.0 |
| Exports | 25.0 | 25.0 | 20.0 |
| Total | 19.8 | 18.4 | 13.8 |

2. Promising parts

In view of the supply-demand prospect, the trends in technical development, and the trend and outlook of the world's auto industry, our auto industry can anticipate increased domestic demand and technological enhancement and expect to help improve the nation's international payments balance and create more jobs.

Table 8 shows promising auto parts selected according to the set selection standards.

(1) 자동차부품의 유망품목

| | (2) | (3) | (4) | (5) | (6) | (7) |
|------|------------|---------|--------|---------|---------|-----------|
| | 선 정 기 준 | 수 요 증 대 | 국제수지개선 | 기 술 진 보 | 고 용 창 출 | 에 너 지 절 약 |
| (8) | 엔진 | ○ | ○ | ○ | ● | ○ |
| (9) | 변속기 | ○ | ○ | ○ | ● | ● |
| (10) | 차축 | ● | ○ | ● | ● | ● |
| (11) | 클러치 | ○ | ● | ● | ○ | ● |
| (12) | 추진축 | ● | ● | ○ | ● | ● |
| (13) | 브레이크디스크·드럼 | ○ | ○ | ● | ○ | ● |
| (14) | 현가스프링 | ○ | ○ | ● | ● | ○ |
| (15) | 속업소버 | ○ | ● | ● | ● | ● |
| (16) | 조향축 | ● | ● | ○ | ● | ● |
| (17) | 기화기 | ○ | ● | ○ | ● | △ |
| (18) | 분사장치 | ○ | ● | ○ | ● | △ |
| (19) | 시동모터·발전기 | ○ | ○ | ○ | ● | ● |
| (20) | 히터 | ○ | ● | ● | ○ | △ |
| (21) | 에어컨 | ○ | ● | ● | ○ | △ |
| (22) | 차체 | ● | ○ | ● | ● | ● |

(23) (주) ○ 많이 기여, ● 다소 기여, △ 별로 기여 없음.

Key on following page

Key: Table 8

1. Promising Auto Parts
2. Selection criteria
3. Growing demand
4. Contribution to improvement in international payments balance
5. Contribution to technological progress
6. Creation of jobs
7. Energy conservation
8. Engine
9. Transmission
10. Wheel axle
11. Clutch
12. Propeller shaft
13. Break disc drum
14. Suspension spring
15. Shock absorber
16. Steering column
17. Carburetor
18. Injector
19. Starter-motor generator
20. Heater
21. Air conditioner
22. Body
23. Note: Black circle: Contribute much,
Black dot: Contribute somewhat,
Triangle: Contribute little.

To what extent a specific auto part is promising is determined by the degree of promise held out by the car that uses that part. Therefore, most of the parts, except for those used in special car models, hold up varying degrees of promise because each part has a different export or import outlook and a different prospect for substituting domestic production for imports and because each undergoes a different change in its dependence on the maintenance-part market and contributes in a varying degree to technical progress, job creation, and energy conservation. All these factors considered, engines, brake disk drums, transmissions, suspension springs, starter-motor generators are particularly promising, but most other items are also considered promising to a lesser degree. (See Table 8).

V. Problems involving the auto-parts industry which need solving

As seen above, despite its manifold problems, the future of our auto-parts industry is bright. But in order that this bright outlook may become reality, it seems necessary to constantly tackle the following tasks.

1. In the production domain

First, along with step-by-step capital investment, more automation and single-purpose machinery must be introduced.

Second, efforts must be made to maximize the production capacity through a logical layout of existing equipment and the latest equipment.

Third, the line of parts produced by each maker should be curtailed so that he can concentrate on producing more productive items. He also should strive to lower cost by adopting an optimum scale of production.

2. In aspects of product quality and technology

First, bold investments for technological development must be made in order to achieve higher international competitiveness through improvement in the quality and technological levels.

Second, investments should be concentrated in technologically weak areas in particular, such as heat treatment, metal molding, and precision processing.

Third, the introduction of advanced technologies should be increased continually and the variety of technologies introduced diversified.

3. Improvement in operations

First, efforts must be made to give incentives to employees in order to enhance their participatory zeals and increase productivity.

Second, wages must be raised to the proper level so as to encourage skilled workers to stay on their jobs.

Third, efforts must be made to improve the working environment and introduce a welfare system in order to retain technical experts and attract highly qualified personnel.

4. Material field

First, for a timely supply of materials in small lots, joint purchases through auto-related organizations must be expanded.

Second, the minimum purchase requirement imposed by material producers must be made realistic.

Third, new materials must be developed continually.

5. Information collection field

First, it is necessary to establish a system for collecting, analyzing, and studying information on export competitor nations and quickly supply the information to local firms.

Second, newly developed items in major countries of the world must be introduced to our parts producers, who must make active efforts to develop similar items.

It is difficult to accomplish all these tasks by the efforts of parts makers alone. In addition to providing various financial aid and tax benefits, the government should strive to remove various institutional obstacles blocking the development of the auto-parts industry, such as the disorderly distribution processes, and expand supportive policy measures to develop the auto and auto-parts industries in a balanced manner. Only when the government continues these efforts for a prolonged period of time, is it possible to accomplish the tasks set forth above.

13311/12223

CSO: 4107/046

BRIEFS

NEW SOFTWARE DEVELOPED—Kumsung (Goldstar) Telecommunications (CEO: Lee Jaeyun) has developed computer software, in conjunction with the Korean Electric Technology Research Institute, to be used for a centralized remote monitoring and control system for efficient electric power distribution. The company said on 14 August that the new software will replace foreign technology that has exclusively maintained the centralized remote surveillance and control systems in Korea. The locally developed device analyzes plant operation, and improves recording and warning components, resulting in a savings of \$350,000 in foreign technology and expediting power supply automation. Goldstar's software adds new functions and improvements to a previously installed version to make it more practical. The remote control system also can be applied to railroad, power generators, water supply, wastewater disposal and all segments of industrial sector that can be converted to automation. [Text] [Seoul MAEIL KONGJE SINMUN in Korean 14 Aug 86 p 8] 13270/12232

NUCLEAR POWER PLANT SAFETY SYSTEM—Goldstar Co has developed a nuclear power plant safety system, capable of detecting radioactive leaks, and monitoring peripheral weather conditions through a Korean-made microcomputer as the nation's atomic industry becomes more and more self-sufficient technologically. Goldstar said on 8 August that Mighty-16, the homemade microcomputer, will enable plant workers to detect radioactive leaks by connecting eight meteorological posts around the plant to three weather observatories measuring the atmospheric pressure, wind velocity and wind direction. The central device receives input every 5 seconds and sounds off an alarm when radioactivity and weather conditions exceed safety levels. The system, developed at the request of the Korean Electric Power Corp, has passed efficiency tests, and is in operation at the Wolsung nuclear power plant. Company officials said the new system will replace similar equipment previously imported from France and Canada and will save foreign currency as well as enhancing safety precautions at atomic power plants. Goldstar plans to supply the device to other major nuclear plants. [Text] [Seoul MAEIL KYONGJE SINMUN in Korean 8 Aug 86 p 8] 13270/12232

NEW BREAST CANCER DETECTING DEVICE—Korean-made NMR-CT (Nuclear Magnetic Resonance-Camera Technique) has been proven to be effective in visual breast cancer detection. A research team headed by Prof Kim Soon-yong of Hanyang University's Diagnostic Radiology Department has successfully diagnosed breast cancer cases which different to detect accurately through ultrasonic or X-ray examinations. The group said it has confirmed the extent of a 39-year-old woman's infliction

through NMR-CT after X-ray and ultrasonic methods failed to positively determine her breast cancer, much less its spread. A diagnostic surgery confirmed of NMR-CT findings, the researchers said, raising hopes that the method will be widely used in breast cancer discovery. The research team used an ultra conductor device with a specially designed coil surface, owned by the KAIST, which allows high density imagery. The equipment does not harm the human body because it uses high frequency and magnetic techniques only, the researchers said. The NMR-CT was developed jointly in 1983 by KAIST and Goldstar Communications. [Text] [Seoul MAEIL KYONGJE SINMUN in Korean 14 Aug 86 p 8]
13270/12232

CSO: 4107/230

S. KOREA/FOREIGN RELATIONS

HART TO DISCUSS UN MEMBERSHIP FOR COUNTRY WHILE IN USSR

SK140133 Seoul THE KOREA HERALD in English 14 Dec 86 pp 1, 2

[Text] U.S. Sen Gary Hart (D-Colo) said yesterday he will take up the matter of the elimination or lifting of the Soviet veto against the Republic of Korea's participation as a full member in the United Nations in his scheduled Moscow meeting with Soviet leaders this week.

Meeting the press at the end of the four day Pacific Century Conference, which opened in Seoul Wednesday, Sen Hart noted, "this is one of the issues that I hope to bring up with the Soviet leadership."

A former presidential candidate and once again a front-running contender, the Colorado Democrat said that he expected to meet with Soviet leader Mikhail Gorbachev, Foreign Minister Eduard Shevardnadze and other ranking officials.

"The primary purpose will be a look at the nuclear arms question beyond Iceland," Hart said, referring to the October summit in Reykjavik between the United States and the Soviet Union.

Sen Hart also said he believes that the U.S. security commitment to Korea involves the presence of some U.S. forces here and that he would not support moves for a withdrawal.

"The Democratic Party in the United States is fully committed to the security of this country," he said. He stressed that he had given that message to President Chon Tu-hwan and other government officials while here.

The U.S. Democratic Party's commitment to the security and survival of Korea is "historic, bipartisan and unwavering," he emphasized. "I know that there has been some thought, perhaps in some political circles, that President Reagan's party is more committed to mutual security in contacts with the Korean people than the Democratic Party. That is not the case," the 1984 Democratic Party presidential hopeful said.

During his stay, Hart visited Panmunjom in the Demilitarized Zone that separates the south from the north.

Sen Gary Hart wound up a four-day visit to Korea Saturday and prepared to leave for Moscow for talks with Soviet leaders. Hart said that he also planned to bring up with officials in Moscow some "specific civil rights cases," and that he would discuss so-called regional issues such as Afghanistan, the Middle East, and perhaps Northeast Asia, including the Korean peninsula.

The American senator was asked if the present Iran arms sales controversy that has gripped Washington was reflected among those taking part in the Seoul meeting here. He said it had been discussed informally at various times, such as cocktail parties, but that it really has not come up all that much.

He repeated what he said were views he had expressed earlier in the United States in regard to the issue, that mistakes had been made and there were setbacks to policy and credibility.

Commenting on the exchange rate between dollar and other currencies, Hart said, "I think many of our trading partners, including Korea, must take some steps to appreciate their own currencies because they have been kept unrealistically low."

Hart left later in the day for an overnight stop in Tokyo before going on to Moscow.

Also attending the press conference were Dr Kay Pong-kyok, Seoul conference coordinator; Martha Keys, executive director of the Washington-based Center for a New Democracy; Patrick Maddox, director of Harvard-East Asia; Kim Mann-kyu, professor and director of the Center for International Studies of Inha University.

The Seoul Pacific Century Conference, which ended yesterday after a four-day session, were attended by some 100 delegates from 13 Pacific-rim countries. Among the Korean participants were Nam Tok-u, chairman of the Korean Traders Association (KTA); Kim Ki-hwan, president of the Ilhae Institute; and Pak Chong-ki, dean of College of Business & Economics, Inha University.

The three major topics--trade, development, leadership--were tabled at the event.

The conference, coorganized by Inha University's Center for International Studies, the Center for a New Democracy and Harvard-East Asian Center, was a follow-up to its first meeting, held in Los Angeles 5-8 December last year.

The Pacific Century Conference was inaugurated last year by the initiative of the Center for a New Democracy, founded by U.S. Sen Gary Hart.

In the press meeting, Dr Kay also said that for this year's closed-door conference, the joint organizers have tabled three key topics for dialogue; first, how to build a better world trading system including alternatives to protectionism, second, the challenge of development and cooperation in the Pacific-rim, and third, new and emerging leadership, cultural and political imperatives.

He also noted, "All of us have agreed to the needs for expanding new trading opportunities, to which cooperative answers must be found if the region is to continue to play its leading role in expanding world trade in the 21st century."

S. KOREA/FOREIGN RELATIONS

JESSE JACKSON ARRIVES IN SEOUL, MEETS WITH FOREIGN MINISTER

SK130614 Seoul THE KOREA HERALD in English 13 Dec 86 pp 1, 4

[Text] U.S. civil rights leader Jesse Jackson said yesterday that keeping security on the Korean peninsula is "a firm policy" and "major concern" of the United States.

In a news conference at Seoul's Kimpo International Airport, Rev Jackson emphasized that respect for human rights is the most important factor in maintaining peace in Korea.

Jackson said he hopes to meet with leaders of political, financial, religious, academic and student circles during his three-day stay here.

Invited by Korean National Council of Churches, Jackson arrived in Seoul yesterday morning from Japan, where he participated in a campaign protesting Japan's system of fingerprinting foreign residents. He is accompanied by a 12-member entourage.

In a reception held at the Korea Press Center with the country's religious leaders later in the day, Jackson stressed that domestic tranquility must be achieved by including all the members of society in the political process.

"No nation can foster the principle of freedom with an economic surplus and a moral deficit," he said, adding that justice is essential for peace.

Touching on the bilateral trade issue between Korea and the United States, Jackson said that the trade imbalance between the two countries needs to be reassessed.

"We want free, fair and reciprocal trade without barriers to trade or infringements on the rights of U.S. producers, as in the area of computer software," he said.

Among those present at the afternoon meeting were the New Korea Democratic Party President Yi Min-u, Yi Man-sop, president of the Korea National Party and opposition leader Kim Tae-chung.

Jackson, who was a Democratic Party presidential candidate in 1980, heads the National Rainbow Coalition, a private organization aimed at promoting racial equality in the United States.

While in Seoul, Jackson is scheduled to meet with Prime Minister No Sin-yong and other government leaders. He also plans to visit the truce village of Panmunjom and U.S. military units. He will also receive an honorary doctorate in law from Hanyang University.

Minister of Foreign Affairs Chae Kwang-su said yesterday that political and social stability is an "absolute" requirement for a peaceful transfer of power in 1988.

At a meeting with Rev Jesse Jackson, Chae said that South Korea is seeking to promote democracy against the threat of the North Korean Communists.

The Communist threat, however, prevents South Korea from realizing a democracy equal to that which is found in the United States or Western Europe, the foreign minister said.

Jackson expressed concerns about South Korean security when he referred to the Korean War (1950-53). The U.S. economy, he said, suffered from trade and fiscal deficits and Japan's economic dominance.

Expressing concerns about rising anti-Asian sentiments among Americans, Jackson called for fair trade based on equal opportunities. With the influx of Korean-Americans into black communities, he said that the two minority racial groups have conflicting interests.

He said that Korean-Americans should cooperate with black communities through joint ventures to avoid further conflicts.

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S. KOREA/INTERNATIONAL COMMENTARY

DAILY ON PACIFIC CENTURY CONFERENCE

SK120041 Seoul THE KOREA HERALD in English 12 Dec 86 p 8

[Editorial: "Pacific Century Conference"]

[T-xt] The Pacific-basin has become "the new economic dynamo," if not "the 20th century's economic fountain of youth." The average yearly growth of Pacific countries almost doubles that of the European countries.

Moreover, by the year 2000, almost two-thirds of the world's consumers, it is educatedly estimated, will live on the Pacific's rim. Seen from the United States' viewpoint, for example, its trade with the region is expected to amount to 25 percent of its GNP, with its trade with Asia already surpassing, in 1980, the combined value of exports and imports to Europe.

It is therefore natural and logical that unprecedented attention has been brought to the Pacific-rim, politically as well as economically. The past decade or so has seen many forums inaugurated to discuss promoted regional cooperation under such spectrum.

Yet, drawing a fresh attention is the Pacific Century Conference which opened a four-day panel Wednesday in Seoul with representatives from 13 countries attending. It is a follow-up to its first meeting held in Los Angeles a year ago. On the agenda for the present second conference are issues such as protectionism, debt problems, resources development and new political leadership.

Well chosen are the topics in light of diversities of the Pacific-basin in all aspects. How to pursue harmonized cooperation amid such variety, needless to say, holds the key to ushering in the new Pacific era in a success benefitting all those involved.

Regrettably, however, a protectionist tendency is ever growing among the regional countries, often giving an impression of trade war. Repercussions resulting from undue protectionism is feared to spiral ever onward, serving no one's good. Instead, approaches arising from long-term perspective are in order.

Unless one can afford to ignore the growign gravity of the Pacific-basin, one has no choice but to make oneself a cooperative family of the regional society. Otherwise, one will find himself alienated from others in the region, thus eventually disserving his sake.

Conspicuous among new moves afoot in the Pacific-rim is the Soviet Union's advancement venture into the region. Despite being a Pacific power geographically, the Soviets have long had scant opportunities to make themselves palpably found in the area. Buttressed by their hitherto military buildup in the region, the Soviets have become an incrementally formidable rival to the United States for influence in that theater.

Moscow's military ties, tangibly intensified of late, with Communist North Korea, following the solidified military ties with Vietnam, are unmistakable evidence of Kremlin's expansionist adventurism. Herein lies the potential vitality in the region because of North Korea's unpredictable absurdity that has been its hallmark in pursuing its aggressive goals.

With all divergent and antagonist factors existing in the Pacific-rim taken into account, the prospects for building cooperation are not altogether bright. To tide over such common challenges, the regional countries, especially big ones, should refrain from selfishness.

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N. KOREA/POLITICS AND GOVERNMENT

HISTORIAN DUBS MT PAEKU 'STRATEGIC BASE OF KOREAN REVOLUTION'

Pyongyang NODONG SINMUN in Korean 9 Nov 86 p 2

[Article by Pak Yong-sun: "He Built the Strategic Base of the Korean Revolution"]

[Text] I am often asked to tell stories about the period of the anti-Japanese armed struggle and, each time I relate these stories, I am deeply moved by the lofty spirit of our people determined to carry on forever the anti-Japanese revolutionary traditions, the lasting cornerstone of Korean revolution, by upholding the noble will of our party, and a thousand emotions well in my mind as I recollect the days of the anti-Japanese war during which the Great Leader Kim Il-song piled up his immortal exploits.

Some time ago Korean People's Army servicemen and university students visiting the Museum of Korean Revolution asked me to the story of the Mt Paektu strategic base. I told them a significant story dating 50 years ago back which adorned a new chapter in the glorious revolutionary activities of the Great Leader.

Beginning in the spring of 1936, I took charge of an arms repair shop, a sewing unit, and a hospital in a secret camp in Taechomchang, Musong County. In the fall of that year, under orders from the Great Leader, I left for a secret camp in Mt Paektu with several comrades. It was shortly after the Autumn Festival, but white snow already piled up in the primeval forests of Mt Paektu.

It was in late September that we entered Bear Valley via Taetak secret camp located at the foot of Mt Paektu. We got there right after the Great Leader moved into the Mt Paektu area commanding the division he had personally organized and set up the headquarters in Bear Valley in Changbaek County.

When we arrived at the secret camp, we were told that the Great Leader would be back in 2 or 3 days from a visit to a forward unit. In the secret camp, there were only log cabins which had previously been used as shelters by the workers of an old sawing mill and there were no quarters fit for the Great Leader.

Determined to build a fine secret headquarters camp for the Respected and Beloved Comrade Commander, who held the destiny of our country and people in his hand, we undertook to build a secret camp on the following day. From early morning, we waded through the fresh snow to cut timber and fetch them to the camp site. We worked on them with axes and completed a log cabin on the same day. We made a fine desk panel sawn from logs and also built a square iron stove.

The following day, the Great Leader was back to the secret camp in Mt Paektu. Looking around the newly built secret headquarters camp, he praised us: "You have done an excellent job. You are as good as first-rate carpenters." On the same day he gave us a programmatic instruction on speeding up the creation of the Paektu Mountain base.

In brief, he said: "For us to station ourselves securely along this border area and push Korean revolution vigorously forward, we have to build a Mt Paektu strategic base quickly.

"As I always say, what is basic to the Mt Paektu base is a network of secret camps."

During the arduous march into the Mt Paektu area after the Nanhut'ou conference at which he proposed the strategic task of creating a Mt Paektu strategic base, the Great Leader paid profound attention to this task and actively pushed it.

In late March in 1936, when he arrived at the secret camp in Mijunjin where we were stationed, he summed up the results and experience in building the secret camp. Through this summation, he gained a better insight into the task of building a network of secret camps. As a consequence, a number of secret camps were created in mountain forests in Musong and Ando counties, including camps in Maansan, Tonggang, Yangmokchongja, and Nomojongja.

After the Tonggang conference, the Great Leader dispatched small advance parties to select secret camp sites and to push camp construction on a full scale. The site of the Mt Paektu secret camp was selected by a small unit commanded by Comrade Kim Chu-hyon under orders from the great Leader.

In those days, I myself participated in the construction of secret camps, including one in Taechomchang. But at that time, I did not fully understand the Respected and Beloved Comrade Commander's great plan for creating the Mt Paektu strategic base and its strategic significance.

Considering this lack of full understanding on our parts, he explained in great detail why it was necessary to create a Mt Paektu strategic base, what the necessary elements were in the composition of the new stronghold, what its form should be like, and how to select its site.

Referring to his plan presented to the previous Nanhut'ou conference calling for moving the main force of the Korean People's Revolutionary Army [KPRA] into the border area and expanding the stage of struggle into the homeland, the Great Leader stressed that it was essential to have a new stronghold which we could use as a base for our fight so that we could advance into the border

area and the homeland to wage our revolutionary struggle all the more vigorously.

He said that the guerrilla base which existed in the Tummen river basin in the first half of the Thirties was necessary to preserve and nurture the chuche strength of the Korean revolution and to prepare for the expansion and development of the armed struggle. On the other hand, the Mt Paektu base was needed to forcefully push forward all aspects of the Korean revolution, including armed struggle, particularly to wage an active revolutionary struggle in the homeland, on the basis of the past achievements.

In view of this new requirement for the development of our revolution, the Great Leader pointed out that the Mt Paektu strategic base, unlike the stronghold in the first half of the Thirties which took the form of a liberated area, should be a stronghold of a semi-guerrilla district type, covered with a network of secret camps and underground organizations, a stronghold invisible to the enemy and flexible.

He then once again emphasized that it was important to create a solid network of secret camps, one of the two elements of the stronghold and the core element of the two.

Embracing the strategic idea about the Mt Paektu stronghold, we were profoundly impressed by the extraordinary strategies and the superb art of leadership of the Respected Comrade Commander as a great strategist for revolution.

The Great Leader continued by noting the advantageous natural and geographic conditions of and the advantageous population makeup in the Mt Paektu area. He said that in view of these advantages, he had made long preparations to turn the Mt Paektu area into a strategic base for the Korean revolution.

When I was active in the Naedosan guerrilla district a long time before, I already heard about the early period of his revolutionary activity during which he devoted himself heart and soul to revolutionizing the entire Mt Paektu area. At that time, I was already greatly impressed by his foresight and his uncommon acumen. While listening to him on that day, I was all the more impressed by his extraordinary insight and clairvoyance.

The Great Leader continued by saying that for us to complete a network of secret camps with dispatch on the basis of the foundations we had already prepared, we must first expedite the construction of forward secret camps, which were basic to the network of secret camps in the Mt Paektu strategic base. He then told me that since I had a rich experience in building secret camps, I should take charge of secret camp construction from then on and push it forward on a full scale.

Spreading out a map, the Great Leader pointed at the sites of the forward secret camps to be built. Explaining the missions of each camp, he told me about the problems to which I should address myself in building it by taking its peculiarities into consideration.

Immediately afterward, leading an advanced unit, I began a full-scale construction of secret camps.

After building Secret Camp No 1, we walked up about 7 to 8 miles toward Mt Paektu to build Secret Camp No 2 and then left for the site of Secret Camp No 3 as instructed by the Great Leader. When we crossed the ridge in the south-westerly direction, we found ourselves in a singularly formed dell in the forest. In this natural fortress, we built a large camp which could accommodate a large number of people. We then built Secret Camp No 4, just like Camp No 3, in a place more than 10 ri away. We also built the Hungdusin secret camp, with accommodations for a company, which would insure the safety of the headquarters camp in the dense forest of Mt Paektu, in addition to the Toegollyong secret camp which was to function as a liaison point, and the foremost rear camp in Mt Paektu which would have an arms repair shop, a sewing unit, a hospital, a printing plant, and a logistic warehouse.

In this way we built more than 30 secret camps in the dense forests of Mt Paektu in the winter of that year. When we returned after building forward secret camps, the Great Leader said in praise of our work: "We now have built a stronghold which will enable us to fight against the enemy in an exemplary manner."

"...Now that we have completed a network of forward secret camps, we no longer have any fears, no matter what kind of enemy may try to pounce upon us."

Subsequently, the network of secret camps were constantly expanded as required by the military and political activities of the KPRA. As a result, a large number of secret camps were built, including the network of forward camps at the foot of Mt Paektu; the camps in the Tonggang-Yangmokchongja area in Musong County; the camps on the Paektu and Changbaek ridges; and those in the 8th, 12th, and 15th districts in Changbaek County, in Sintaeja and Koryokpoja in Imgang County, and in the Madanggowu-Nampaeja area in Monggang County.

Along with the construction of the network of secret camps, the Great Leader actively pushed forward the work of creating underground organizations in the Mt Paektu area.

He dispatched Kwon Yong-pyok, Pak Nok-kum, and many other comrades to the Changbaek county area as political operatives to expand the network of the Fatherland Restoration Society [FRS]. He also ordered small political operations groups led by Comrades Kim Il and Kim Chu-hyon to conduct a political campaign agilely moving around the Changbaek area in order to revolutionize the Mt Paektu area.

Later the Great Leader sent Comrade Kim Chong-suk, an indomitable communist revolutionary fighter, to Tocholli in Changbaek County and the Sinpa area in the homeland to carry out the FRS movement more vigorously on a nationwide scale.

Thanks to the Great Leader's wise policy and leadership, the Mt Paektu area was covered with a strong network of underground revolutionary organizations, which completely paralyzed the enemy's ruling structure. As a result, the whole Changbaek area practically came under KPRA control.

In this way Mt Paektu and its surrounding areas turned into an invisible bastion of revolution, crisscrossed with dense networks of secret camps and underground revolutionary organizations. Thus the Great Leader's ingenious concept of creating a strategic base in Mt Paektu as a new type of base of revolution was put into reality in a brilliant manner.

Subsequently, operating from the Mt Paektu strategic base, the Great Leader raised the flames of the anti-Japanese armed struggle still higher and thrust forward the united anti-Japanese national front movement and the preparatory work for party inauguration all the more vigorously.

Operating from the Mt Paektu strategic base, which were securely built into a bastion of revolution, the Great Leader sagaciously organized and led the struggle to smash the Japanese imperialists' "winter punitive operations" which were launched in the early winter of 1936. The Great Leader convened a conference of senior KPRA military and political officers in the Mt Paektu secret camp in November 1936, at which he came up with an outstanding strategy of combining the combat operations of large forces with the activities of small units to counter the Japanese imperialists' "winter punitive operations." Under this new combat strategy, the KPRA main force, operating from the Mt Paektu stronghold, crushed the Japanese aggressors' large-scale "winter punitive operations" and achieved glorious war results by mounting fierce surprise attacks and drawing the enemy into ambush in numerous fighting, such as the battle of Bear Valley in Changbaek County, the battle of Hongdu Mountain, the battle of Tochohli, and the battle of Imyongsu, in the period from November that year through February in the following year. With the Mt Paektu strategic base created and the flames of the anti-Japanese armed struggle rising intensely, the hearts of our people were filled with inspiration and joy as they entertained new hope for and confidence in the restoration of their fatherland.

While augmenting results of the armed struggle on the basis of the newly created advantageous situation, the Great Leader devoted all his might to expand the FRS's organizational network throughout the country.

He led the struggle to expand FRS organizations by dispatching elite members of the KPRA main force to the Changbaek area. He also met with Yi Che-sun, Pak Tal, and other members of underground revolutionary organizations and domestic revolutionaries in the Mt Paektu strategic base to show them concrete tasks and methods for expanding and developing the FRS movement.

Thanks to the Great Leader's energetic guidance and indefatigable activities, FRS organizations rapidly expanded into almost all villages of the Changbaek area and many areas of the homeland, including the border area along the Yalu river. The Korean National Liberation League, a domestic substructure of the FRS came into being in the Kapsan area in January 1937, and in mid-February in the same year, the FRS Changbaek Country committee was organized. Subsequently, many subchapters were inaugurated under the committee. FRS organizations continued to be expanded on a nationwide scale, rapidly spreading into many localities in North Hamgyong, Kangwon, and North Pyongan Provinces, as well as Seoul, Inchon, Pusan, and many other cities throughout the country. Numerous FRS organizations were also organized in Korean communities in eastern, southern, and northern Manchuria.

Belonging to the network of FRS organizations were people from all walks of life, not only workers, farmers, youth and students but also religionists, nationalists, small and medium entrepreneurs, urban petite bourgeois, and intellectuals--people from all walks of life who loved the country and the nation and who opposed Japanese imperialism. Among the religionists was Pak In-chin, representative of the Chondo religious sect who returned after receiving personal instructions from the respected and beloved leader in the Mt Paektu stronghold.

Operating from the Mt Paektu strategic base, the Great Leader actively pushed forward the task of building part organizations while rapidly expanding and developing the FRS movement.

The Great Leader inaugurated a domestic party work committee in the Mt Paektu secret camp in December 1936 and, through it, held the work of building party organizations at home under his unitary control. He had the Changbaek County party committee organized in February 1937. In this way he established an orderly system of party organization and guidance in which all party organizations operated under the unitary guidance of KPRA party committee. As a result, a firmer organizational and ideological foundation was laid for party inauguration.

While operating the arms repair shop, the hospital, and the sewing unit under my charge in a rear secret camp after the creation of the Mt Paektu strategic base, I witnessed the impressive vibrancy of the Korean revolution as it entered a period of upsurge and I was overwhelmed with the greatness, validity, and enormous vitality of the respected and beloved leader's strategic idea of creating the Mt Paektu strategic base.

The Mt Paektu strategic base was a mighty base of operations for the Korean revolution which made it possible to expand and develop the anti-Japanese struggle for national liberation on a nation-wide scale.

The Mt Paektu strategic base strengthened the Great Leader Comrade Kim-Il-song's unitary leadership over the Korean revolution in its all aspects and actively thrust forward the movement of the united anti-Japanese national front and the preparatory work for party inauguration on a nationwide scale, thereby playing an important role in leading the overall Korean Revolution centered around the anti-Japanese armed struggle to a great period of upsurge.

The Mt Paektu strategic base also magnificently played its role as a base of operations for the KPRA's military activities and as its logistic base in expanding and strengthening the anti-Japanese armed struggle along the border and inside the country.

A half century has passed since that time. But even nowadays as I often recall those days, I get more deeply impressed by the outstanding leadership of the respected and beloved leader, who at the early stage of his revolutionary activity, already came up with an ingenious idea of creating a strategic base and put it into practice in the most accurate way consistent with the requirements of revolution in its each development stage, thereby leading the Korean revolution along the road to victory.

It was due to the Great Leader's sagacious leadership that the anti-Japanese revolutionary fighters were able to keep on expanding and strengthening the ranks of anti-Japanese armed struggle by operating from the guerrilla district along the Tumen river which was in the form of a liberated district, and that even in the early period of the armed struggle when they had to fight with their bare fists. They owe it to his wise leadership that under an arduous situation in which there was no national logistic support, they were able to vigorously organize and wage anti-Japanese armed struggle while knocking down the million-strong Japanese Kwangtung Army by operating from the Mt Paektu strategic base and, later, from other bases and strongholds in the period of small unit operations. It was due to his sagacious leadership that after liberation, we were able to create a powerful base of revolutionary democracy in the northern half of the country and won great victories in the anti-imperialist, anti-feudal democratic revolution and the fatherland liberation war.

Each time I recall those days which receded into history, my heart overflows with a sense of honor and pride in carrying on revolution with all our people under the Respected and Beloved leader Comrade Kim Il-song, genius of revolution and great strategist, and refresh my determination to fight doggedly for the fulfillment of the cause of chuche revolution under the wise leadership of the Beloved Comrade Kim Chong-il.

13311/9312
CSO: 4110/042

INCREASE IN PRODUCTION OF 'CHAJU 82' AUTOMOBILE NOTED

Pyongyang MINJU CHOSON in Korean 31 Oct 86 p 3

[Article by reporter Kim Kyo-son]

[Text] The working class in the Seungri Integrated Automobile Manufacturing Company (SIAMC), who are determinedly carrying out their struggle to meet the election of the Supreme People's Assembly (SPA) delegates with brilliant labor results, has recently been increasing their production of the "Chaju 82" model two to three times that of earlier this month.

The Great Leader Comrade Kim Il-song instructed as follows: "We have to increase our automobile production, generally maintain and reinforce the road system, and improve the automobile transportation system even more."

The great leader recently instructed that production of the "Chaju 82" increase.

The party has arranged to provide the working class, who vigorously launched into achieving the great leader's instruction, the necessary equipment and material, and to organize a nationwide speed-up competition in SIAMC.

By enthusiastically supporting the great leader's instructions and the party's intention, the factory has been innovative in the means and techniques of "Chaju 82" production and has been looking for facilities and production space in order to make the best use of what is available, and turned its attention toward increased production.

The workers, at the production sites, are carrying out the task of technical guidance with a strong sense of responsibility, while carrying out their political work as well.

Amidst such efforts, technical innovation has been vigorously accomplished, and substantial results have been achieved.

The workers in the cast steel shop and the technicians in the engineering branch's casting shop adopted a water-cooling wall in an electric furnace, thus enabling them to satisfactorily guarantee the cast steel materials while saving a lot of firebricks and electric power.

The workers and technicians in the forging shops increased productivity by 30 percent by succeeding in precision forging of the No 2 electric motor axle and the second gear of the "Chaju 82."

The automation shop workers and the engineering branch technicians, even in the processing area, manufactured and adopted about 10 modern integrated milling machines including the Chaju-ho crank shaft super-finishing milling machines and the Chaju-ho's 26-axle drilling machines, thus improving productivity by 1.2 times.

In the plant, on the other hand, they have prepared to substantially increase "Chaju 82" production by creating about 4,000 square meters of new production area by rationally rearranging the facilities and converting a nonproduction area into a production area.

"Chaju 82" production is increasing daily, as the preparation work for production increase is accomplished, bit by bit, by originating and adopting modern mechanical facilities.

The axle shop is leading others in production.

The shop workers here are operating the facilities at full capacity, and by intensely carrying out a socialist competition among working groups and shifts, they are achieving more than 120 percent of the processing and assembly work plan of the front and rear axles everyday.

By devising efficient axle assembly jigs, the first shift workers are reducing the axle assembly time by half.

All the workers in the Chaju-ho engine and transmission shops proudly put forth their efforts and produce the engines, transmissions, and steering devices.

The Chaju-ho engine shop workers in particular are increasing engine production by 1 and 1/2 times that of earlier this month by repairing and readjusting the facilities on time, including the engine body automatic conveyors, and the crank shaft milling machines, and through a rational and efficient reorganization of the production process.

As the production of various connecting accessories, engines and transmissions increases, the assembling technicians in the Chaju-ho assembly shop are proudly increasing the quality while reducing the "Chaju 82's" assembly time by modernizing the assembly conveyors.

13302/12232

CSO: 4110/45

ROLE OF CONTRACT IN OPERATING COMPLEXES EXPLAINED

Pyongyang NODONG SINMUN in Korean 10 Nov 86 p 3

[Article by reporter Lee Jang-hee: "Materials Supply Contract (MSC) in Management and Operation of Complexes"]

[Text] Today our party promotes the establishment of an extensive materials supply system by a means of a contractual method consistent with the rational organization of the complexes as an important task in the area of materials supply.

The great leader Comrade Kim Il-song instructed as follows: "Originally the materials supply work should be carried out in the form of a commodity exchange according to the contract agreement made by detailed state planning among materials supply companies dovetailing with the industries." ("Collected Works of Kim Il-song" Vol 24, pp 39-40)

In socialist societies, carrying out the materials supply work according to the contract agreement means making a contract among the related organizations and industries, based on state planning, and carrying it out accordingly in the form of commodity transactions. In other words, all the materials necessary for production should be commercially exchanged according to the contract agreement among the suppliers and consumers and among the industries based on detailed materials planning.

The contractual method is the basic method of socialist materials supply.

The contractual method makes economic ties among all of the production units more concrete and enables a systematic materials supply to be possible.

In socialist societies, the people's economy progresses, based on close economic ties among numerous production units, which make production and consumption dovetail. These economic ties are established, first of all, by detailed national planning in the area of materials. In detailed planning, the volume of supplies to be exchanged during the planning period is disclosed by the kind and size of the materials. At this stage, however, the concrete conditions arising from the realization of the economic ties among the production units are not foreseeable. They are only disclosed in the MSC, which makes detailed planning more concrete and serves as a means for a legal

guarantee of its fulfillment in the MSC, not only are the technical and packing conditions, exchange procedures, and methods disclosed but the amount supplied is also defined for a more detailed period than in the detailed planning. Therefore, if the MSC agreement is made and the materials are exchanged accordingly, economic ties among the numerous production units such as the complexes, plants, and industries can be made more concrete and a systematic supply of materials can be made smoothly.

The contractual method also enables the managerially more independent state enterprises in a socialist society to be more responsible for their management.

In a socialist society's economic management, in relation to its transitional characteristics, it is becoming increasingly necessary for the state enterprises to be given certain managerial independence and to make effective use of economic leverage, including the value rule. The MSC agreement enables a specific responsibility boundary to be made in exercising asset management and utilization rights even among state enterprises. It also defines a utilization method of the price leverage applied when exchanging production means according to state planning and the material responsibility when not carrying out imposed duties, and provides a legal guarantee of its fulfillment. Thus the contractual method enhances the relative uniqueness of state enterprises including the complexes and strengthens the workers' responsibilities and heightens their material interest in the results of their own management activities. After all, the contractual method strengthens the economic ties among state enterprises suitable for the transient characteristics of a socialist society and also serves most effectively for a rational management operation method in a socialist economy such as the independent economic accounting system.

In our country today, a system has been established in which contracts are made among complexes and materials are exchanged according to the contract. This system enables the material supply work to be even more effective and rational, suitable for the requirement arising from the progress of reality.

It is, first of all, related to the fact that the complexes have some advantageous conditions necessary for the contract agreement and its fulfillment.

A complex is not a simple contract unit but a state planning and production unit which carries out independent management activities, covering all the production-related plants and enterprises. State planning is done by the complex unit. Making a planning unit the same as a contract unit guarantees scientific and realistic planning, and putting planning and contract agreement close together makes the on-time and precise MSC possible. In addition, since a complex, which can independently settle the guarantee terms necessary for carrying out the contract, enters into a contract agreement and has a direct interest in its fulfillment, the contract regulations are reinforced accordingly.

The materials exchange system, according to a contractual method among the complexes, also enables state guidance on contract agreement and fulfillment to be made in an industrial method.

As socialist construction deepens, the problem of organizing, planning, and enhancing the standard of state guidance in the economy emerges as an important subject. State guidance on contract agreement and fulfillment among complexes is carried out by the Central Consolidated Materials Supply Company (CCMSC) and its suborganizations, the Regional Consolidated Materials Supply Companies (RCMSC). The CCMSC suggests a unified methodology, and systematically organizes and guides the contract agreement work, either directly or through the RCMSC's, depending on the scale and nature of the planning milestone, and commands, supervises, and controls the contract fulfillment process. It also prepares and utilizes a constant quantity of reserved materials and carries out a supplementary role of materials supply, according to the contract terms, by organizing the exchange of surplus or deficient materials among the complexes. Therefore, the reinforcement of state guidance in contract agreement and fulfillment among the complexes enhances their responsibility and role and thus demonstrates the superiority of the complexes and accelerates the people's overall economic progress.

Today, our party requests that the supply of materials be processed thoroughly by means of a contractual method. Strict rules must be established requiring that the supply of materials be carried out only by means of a contractual method in every aspect of the people's economy.

In order to achieve this, a contract agreement should be made properly first. A contract agreement made realistically after a thorough analysis of the reality can be fulfilled precisely, and can contribute to production normalization. The functionaries involved in the contract agreement should dovetail the materials by a more detailed size, quality, and period based on detailed materials planning, and should clearly define the conditions to follow during materials exchanges. They should try especially to prevent a situation where things were dovetailed in the planning but not in the contract agreement stage.

It is important to include the plants and industries under the complexes in the contract agreement. Although contracts are made among the complexes, those which carry out the contracts are the plants and industries. The complexes should positively encourage the workers of the plants and industries under them to participate in the contract agreement, and after the contract agreement was made, they should notify them of the contents of the contracts.

Even if the MSC is made correctly, it is of no use unless there are strict rules to carry it out. The plants and industries should carry out the production plan on a timely basis according to the milestone and make strict rules to transfer the products according to the planning and the contract.

Strengthening control over contract fulfillment is an important guarantee for establishing contract rules.

It is important for the guiding organizations in the economy, including the state supervisory authorities, to grasp promptly the problems arising from the contract agreement and fulfillment among the complexes, establish the handling measures, and perform the normal guiding work on the contract fulfillment

procedure. Thus, when the materials supply work is carried out totally by means of a contractual method, the production by all the plants and industries will be normalized at a higher standard and thus the superiority of the complexes will be demonstrated even more distinctly.

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N. KOREA/ECONOMY

PARTY LEADERSHIP TERMED NECESSARY FOR ECONOMIC PROGRESS

Pyongyang MINJU CHOSUN in Korean 16 Nov 86 p 2

[Article by Ph.D Candidate "chunbaksa" Yi Pok-song: "Party's Leadership in Economic Progress"]

[Text] Strengthening the party's leadership in building up the economy is a key to determining the outcome and success of socialist and communist development.

In his lecture note "A Historic Experience on the Construction of Choson Rodongdang [Korean Workers Party]," the Great Leader Comrade Kim Il-song gave an overall, scientific explanation on the fundamental problems arising from the party's leadership in socialist economic development.

The Great Leader Comrade Kim Il-song instructed as follows: "The important thing for the party's leadership in revolution and construction is to strengthen the party's guidance in economic development." ("A Historic Experience on the Construction of Korean Workers Party," page 83)

Strengthening the party's leadership in building the economy is the most important task presented to the working class party, with its sovereign power.

Only if we achieve a satisfactory economic buildup, can we accomplish our country's independent development, and continually enhance the people's material and cultural life. In socialist and communist societies, we can maintain our reputation only if we have a material and technical basis appropriate to the societies, and can guarantee completely the people's yearning in both the material and spiritual areas. The materialistic and technological basis appropriate to communist societies can only be assured through a struggle for economic development.

Economic development is a very difficult task requiring conquering and reconstructing nature, but it is a sacred task to provide the workers with a fulfilling life, materially and culturally. During this process, a lot of difficult and complex problems could arise.

Whether the communist materialistic fortress can be successfully built by bravely overcoming the difficulties, totally depends on how the party exercises its leadership in economic development.

The party's leadership in economic construction is basically political guidance.

In order for the party to perform its role successfully as the headquarters for revolution, it must lead the revolution and the buildup in a party-like, political manner. The fate of the revolutionary struggle and economic development totally depends on the party's role, which is to organize political leadership. Thus, strengthening political leadership becomes a basic element in the victory of our revolution. Only if the party properly carries out its role, can it solidify its ranks organizationally, as well as ideologically, and bind the vast masses to the party, and powerfully call them to fulfill their revolutionary duties.

Revolutionary struggle and economic construction will proceed and succeed with the masses' participation. Therefore, without encouraging the people's revolutionary enthusiasm, and mobilizing them in carrying out the revolutionary tasks, we cannot effectively push forth the revolution and construction.

Only if we suggest a correct direction and a suitable method of economic development, and powerfully mobilize the people to accomplish it, can we guarantee them a better quality of civilized, materialistic, cultural life. The political headquarters that suggest such a direction and method, and mobilize the vast masses can only be the working class party itself. Right here is a guarantee for the party to fulfill its revolutionary role satisfactorily.

Hence, the work of the working class party, with sovereign power, should always be close to the economy and all party activities should be concentrated on a better economic buildup.

From the first day of its establishment, our party considered the strengthening of the party's guidance in economic development as one of its most important tasks in leading the revolutionary struggle and economic buildup, and it has been wisely leading the socialist economic buildup of our country toward constant enhancement.

The most important thing in our party's leadership in economic development is that it has proposed the direction toward which our people should move, and enabled them to achieve it completely.

It is the requirement of the Chinese ideology to build an economy that stands on its own merit, and that serves its people's interests. Our party has completely mastered the Chinese ideology in the area of economic development by suggesting the direction of the people's economic construction, and properly organizing and leading the struggle to achieve it. The fact that our party suggested the basic direction of economic development based on a correct assessment of realistic possibilities and the inevitable requirement to develop heavy industries as the first priority in economic buildup, while concurrently developing light industries and agriculture as well. It maintained the basic direction which strongly shows the wisdom of the party's leadership in the development of people's economic buildup. Because of such polished party leadership, our people were able to recover quickly from the wounds of a cruel war, and to transform our nation from an underdeveloped agricultural nation to a powerful socialist, industrial one.

Through the leadership in economic buildup, our party enabled the people firmly to maintain the principle of self-reliance. Consequently, our people have established a powerful socialist economy through our own power, and technology despite any adverse conditions, and our people's economy could be able to powerfully step forward following the direction of chucheization, modernization, and scientificization.

The chucheization, modernization and scientificization of the people's economy is a strategic direction that we have to maintain, consistent with building up a socialist and communist economy, and it is an important task arising from building up a strong basis for the national economy. Our party made us push the task of modernizing and scientificizing the people's economy by putting our efforts in chucheization of the people's economy. As the task of chucheization, modernization and scientificization of the people's economy is promoted, a new transformation is taking place in the socialist, economic buildup in our country today. We have established an economy which depends only on domestic fuel, raw materials, and power in every aspect and unit of the economy; transformed the production process with modern technology; and are successfully accomplishing the task of transforming management activities in a scientific way.

Today our economy has developed into a powerful socialist one that can produce anything we want, because our party has suggested a correct direction of economic buildup in every period and stage, and how powerfully mobilized our people toward the sacred struggle for its achievement.

Another important aspect of our party's leadership in economic buildup is its correct solving of economic management problems.

The proper management and operation of a socialist economy, which has grown into a large-scale one with complex interrelationships among different aspects is an important requirement for regularizing the production on a high standard and for constantly developing our economy. Only if we correctly solve the economic management problems in accordance with the socialist society's characteristics, and the inevitable demands of economic development, are we able to enhance the superiority of the already-established socialist system even more and to increase production.

The Tae'an work system, a newly created economic management system, by reflecting the socialist society's characteristics and demands for the development of reality, achieved a fundamental change in enterprise management in every aspect and unit; and has become a superior economic management system, that has brought forth rapid progress in the socialist economic buildup. Such a superior system has enabled the economic system to be managed and operated more scientifically and rationally, and has enabled regularized production on a high standard, with a new enhancement resulting in the overall socialist economic buildup.

Our party has strengthened its leadership in the economic buildup by establishing a new agricultural guidance system, and scientific planning system, together with an industrial management system.

The new agricultural guidance and scientific planning systems are the realization of the Tae'an work system.

By establishing a new agricultural guidance system, which is an industrial management and operating method in agriculture, and a scientific planning system, all the economic guidance organizations were able further to improve economic management by giving priority to political work, by planning the economic work according to the requirements of the Tsean work system, and by properly utilizing various economic leverages. Consequently, an unprecedented enhancement in agricultural production has occurred, and a new change in overall economic development is taking place.

One of the important requirements arising from solving economic management problems is that the party committee steers economic development properly. Only if the party defines the direction and method of executing party policies, based on the party committee's group discussions, adopts the correct decision, and thoroughly executes this decision by stimulating the party members and workers, can we achieve even greater accomplishment in economic buildup.

Our party has enabled us to master satisfactorily party leadership in administration and economic development by making the party committees steer competently in economic matters, and has enabled economic organizations to strengthen the spirit of independence and the sense of responsibility.

As supreme guiding organizations in their respective units in every aspect and unit of the people's economy, various echelons of party committees, therefore, have become able to discuss all the production and management problems, collectively make decisions, set up correct measures, and powerfully organize and mobilize the masses in executing the party's economic policies.

In this way, from the initial period of taking power up to today, our party has suggested that leadership in economic buildup is an important party task; and by successfully accomplishing this task, it has strengthened the power of our country's socialist independent economy in every possible way, and has established a great golden age in overall socialist development. Our party has also enabled our country to demonstrate powerfully its visibility as a modern developed socialist industrial nation. Our people at present, even as in the past when we advanced by struggling under the party leadership, are determined with a combatant spirit to make a new leap in socialist economic development by running full speed ahead in the spirit of chollima.

This very faithful support of our party's wise leadership is an important guarantee to speed up our march toward achieving even greater victory and results in our socialist economic progress.

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N. KOREA/FOREIGN RELATIONS

USSR TO BUILD INDUSTRIAL PLANTS IN NORTH KOREA

Seoul NORTH KOREA NEWS in English 24 Nov 86 p 2

[Text]

The Soviet Union will carry out 19 new projects to construct industrial plants, including a nuclear power station in north Korea through aid programs during the Soviets' 12th five-year economic plan period (1986-1990), Radio Moscow reported on November 11. The volume of Soviet aid to north Korea for this period is expected to double that of the previous plan period (1981-1985). The radio, however, did not give any further details of the new projects.

The radio quoted an official in the Soviet State Planning Committee as saying that the USSR and north Korea are now launching a joint production system in the field of machinery manufacturing and light industry. For example, the Soviet Union will supply various assembly lines as well as automobile parts to the Pyongyang Automobile Plant, while north Korea in turn will deliver the assembled automobiles to the Soviet Union.

The radio said that under the joint production system, most of the Soviet-built north Korean industrial plants will export for a certain period of time their products in compensation for the Soviet aid, and that the industries which produce enamel wire, automobile batteries, and small-scale electric motors come into this category.

The radio added that both Soviet leader Mikhail Gorbachev and President Kim Il-sung of north Korea have expressed their satisfaction with the strengthening of economic relations between Moscow and Pyongyang that took place during the Gorbachev-Kim talks during Kim's Moscow visit in October.

Radio Moscow has occasionally repeated the broadcast that over 60 of north Korea's major industrial plants have been reconstructed or newly built through Soviet aid programs. ΩΩ

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CSO: 4100/066

N. KOREA/FOREIGN RELATIONS

NATION, THREE OTHERS SIGN INTERNATIONAL RAILWAY SCHEDULE

Seoul NORTH KOREA NEWS in English 17 Nov 86 pp 5-6

[Text]

Radio Peking reported on November 3 that a protocol for 1987-89 for a new railway schedule for passenger trains was signed by government representatives from north Korea, China, the USSR and Mongolia in Ulan Bator on November 1, based on the principles of equality and reciprocity. But the radio did not give any details of the contents of the protocol.

Formerly, the regular meeting of five Asian communist countries concerning railway schedules for passenger trains (Vietnam did not attend this year) has been held every three years. The last meeting was held in Peking in November, 1984.

The purpose of the regular meetings is to rearrange the railway schedules for passenger trains on the Pyongyang-Peking, Pyongyang-Moscow, Peking-Ulan Bator-Moscow, Peking-Moscow, Peking-Ulan Bator, and Moscow-Ulan Bator lines.

During the 1984 meeting, north Korea and China were reported to have agreed to increase the frequency of passenger trains operating between Pyongyang and Peking from two times to four times a week, beginning June, 1986.

This year's meeting, however, was held one year ahead of schedule for two reasons: 1) The number of railway passengers on the Pyongyang-Moscow and Pyongyang-Peking lines has recently increased, and 2) a new passenger train running between Pyongyang and Moscow via Siberia has begun operations in October this year. It is reported that the number of tourists visiting north Korea has gradually grown in 1986, and that these tourists are mostly from East European countries. □□

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N. KOREA/FOREIGN RELATIONS

BRIEFS

OUTGOING GDR ENVOY—Pyongyang 13 December (KCNA)—Premier of the Administration Council Kang Song-san on 12 December met and had a conversation with Karl-Heinz Kern, ambassador extraordinary and plenipotentiary of the German Democratic Republic to Korea, who paid a farewell call on him. [Text] [Pyongyang KCNA in English 0423 GMT 13 Dec 86 SK] /12232

INTERNATIONAL AGRICULTURAL FUND—Pyongyang 13 December (KCNA)—The 10th Executive Board of the International Fund for Agricultural Development which opened in Rome on 9 December adopted a resolution on admitting the Democratic People's Republic of Korea to the International Fund for Agricultural Development as its member. [Text] [Pyongyang KCNA in English 0424 GMT 13 Dec 86 SK] /12232

NATIONAL DAY OF BAHRAIN—Pyongyang 16 December (KCNA)—MINJU CHOSON Tuesday dedicates a signed article to the National Day of the State of Bahrain. The Korean people extend felicitations to the people of Bahrain on this occasion, the daily notes and says: Since independence the people of Bahrain have built new industrial establishments while consolidating national independence, developing and utilizing their natural resources. The Korean people rejoice over their achievements in the building of a new life. Bahrain is striving to preserve peace and security in the Arab's Gulf and developing friendly relations with the progressive people of the world. The Korean people wish the people of Bahrain greater success in their endeavours to build a new prosperous society. [Text] [Pyongyang KCNA in English 0455 GMT 16 Dec 86 SK] /12232

OUTGOING GDR ENVOY—Pyongyang 16 December (KCNA)—Vice-President Yi Chong-ok met and had a conversation with Karl-Heinz, ambassador extraordinary and plenipotentiary of the German Democratic Republic to Korea, at the Mansudae Assembly Hall on 15 December when the latter paid a farewell call on him. Present there was Kim Hyong-yul, vice-minister of foreign affairs. [Text] [Pyongyang KCNA in English 0423 GMT 16 Dec 86 SK] /12232

CONDOLENCE MESSAGE TO GDR—Pyongyang 16 December (KCNA)—Kang Song-san, premier of the Administration Council of the DPRK, sent a message of sympathy to Willi Stoph, chairman of the Council of Ministers of the GDR. Upon hearing the sad news of an accidental plane crash near Berlin which caused a loss of human lives, the message said, I offer deep sympathy and consolation to you and bereaved families of the deceased. [Text] [Pyongyang KCNA in English 1101 GMT 16 Dec 86 SK] /12232

U.S. COMMUNIST DEATH CONDOLENCES--Pyongyang 16 December (KCNA)--The Central Committee of the Workers' Party of Korea Tuesday sent a message of condolence to the Central Committee of the Communist Party of the United States of America upon hearing the sad news of the death of Henry Winston, national chairman of the CC, CP USA. The message expresses deep condolences to the Central Committee of the Communist Party of the United States of America, the membership of the party and bereaved family of the deceased upon hearing the news of the death of Comrade Henry Winston. It says: Comrade Henry Winston has made great contributions to the work of developing and strengthening your party, defending the democratic rights and vital interests of the U.S. working class and labouring masses, opposing the U.S. imperialist policy of war and defending world peace. He has always expressed firm solidarity with the struggle of our party and people to reunify the country independently and peacefully and directed deep attention to the development of friendly relations between our two parties. Although he passed away, his fighting exploits will remain long. [Text] [Pyongyang KCNA in English 1104 GMT 16 Dec 86] /12232

NIGER PRESIDENT GREETED--Pyongyang 17 December (KCNA)--President Kim Il-song on 16 December sent a message of greetings to Seyni Koutche, president of the Supreme Military Council and head of state of the Republic of Niger, on the occasion of the 28th anniversary of the proclamation of the Republic of Niger. In a message of greetings President Kim Il-song said: The Korean people sincerely rejoice over the big progress of the Niger people in their endeavours to ensure national unity and the stability of the country and build a developed society under your leadership. The message expressed the belief that the relations of friendship and cooperation between the two countries cemented after the Korean visit by President Seyni Kountche would further expand and develop in the future. [Text] [Pyongyang KCNA in English 1023 GMT 17 Dec 86 SK] /12232

DPRK AMBASSADOR TO INDONESIAN--Pyongyang 17 December (KCNA)--Cho Song-pom, newly appointed Korean ambassador extraordinary and plenipotentiary to Indonesia, presented his credentials to Indonesian President Suharto on 13 December. The ambassador conveyed regards to President Kim Il-song and Comrade Kim Chong-il to President Suharto. President Suharto expressed deep thanks for this and asked the ambassador to transmit his wholehearted greetings to them. Noting that the relations between the two countries were developing favourably on the principles of mutual respect, non-interference in each other's internal affairs and reciprocity, he expressed the belief that they would develop more excellently in future. He hoped that Korea would be reunified by the Korean people themselves in a peaceful way. [Text] [Pyongyang KCNA in English 1007 GMT 17 Dec 86 SK] /12232

NIGER PROCLAMATION ANNIVERSARY--Pyongyang 18 December (KCNA)--A meeting commemorating the 28th anniversary of the proclamation of the Republic of Niger was held in Pyongyang on 17 December. The meeting was attended by Chon Yon-ok, vice-chairman of the Committee for Cultural Relations with Foreign Countries and chairman of the Korea-Niger Friendship Association, other officials concerned and working people in the city. Speeches were made at the meeting. [Text] [Pyongyang KCNA in English 0419 GMT 18 Dec 86 SK] /12232

DEPARTING GDR AMBASSADOR--Pyongyang 18 December (KCNA)--The great leader President Kim Il-song on 18 December received Karl-Heinz Kern, ambassador extraordinary and plenipotentiary of the German Democratic Republic to Korea, who paid a farewell call on him. Present on the occasion were Vice-Premier and Foreign Minister Kim Yong-nam and an official of the GDR Embassy in Pyongyang. President Kim Il-song conversed with the ambassador. [Text] [Pyongyang KCNA in English 1034 GMT 18 Dec 86 SK] /12232

PAPERS MARK NIGER'S ANNIVERSARY--Pyongyang 18 December (KCNA)--NODONG SINMUN and MINJU CHOSON today dedicate signed articles to the 28th anniversary of the proclamation of the Republic of Niger. Today the people of Niger are endeavouring to remove the aftermaths of the colonial rule and build a new society, NODONG SINMUN says, and goes on: The Republic of Niger strives to achieve the complete liberation of Africa and develop the relations of cooperation among the non-aligned countries and the developing countries, abiding by the principle of non-alignment. The commonness of the desire for independence and sovereignty brings Korea and Niger close on friendly terms though they are separated by a long distance geographically. The visit to Korea by his excellency Seyni Kountche, president of the Supreme Military Council and head of state of the Republic of Niger in September, marked an epochal occasion in expanding and developing the friendly relations between Korea and Niger. The Korean people will continue developing friendly relations with the Niger people in the future, too. They express firm solidarity with the Niger people in their just struggle to build a new life and wish them new success in their future endeavours for building a prosperous Niger. MINJU CHOSON says the Korean people extend felicitations to the Niger people on the anniversary of the proclamation of the republic. [Text] [Pyongyang KCNA in English 1001 GMT 18 Dec 86 SK] /12232

CEAUSESCU RECEIVES DPRK DELEGATION--Pyongyang 19 December (KCNA)--Nicolae Ceausescu, president of the Romanian Socialist Republic, expressed support to the cause of Korea's reunification on 15 December when he met the DPRK Government scientific and technical delegation headed by Yi Cha-pang, chairman of the State Commission of Science and [Technology]. Referring to the favourable development of the friendly and cooperative relations between Romania and Korea, he fully supported the proposals advanced by respected Comrade Kim Il-song for the peaceful reunification of Korea and the struggle of the Korean people for national reunification. Saying he heartily rejoiced over the great achievements made by the Korean people in socialist construction, he expressed the belief that they will register greater success in the future. The conversation took place in a friendly atmosphere. [Text] [Pyongyang KCNA in English 1016 GMT 19 Dec 86 SK] /12232

SENEGALESE SOCIALIST PARTY GREETED--Pyongyang 20 December (KCNA)--The Central Committee of the Workers' Party of Korea sent a message of greetings on 19 December to the regular congress of the Senegalese Socialist Party. The message expressed the conviction that the congress would mark an important occasion in the struggle of the Senegalese Party and people to further strengthen the Senegalese Socialist Party and achieve national unity and socio-economic progress under the leadership of His Excellency Abdou Diouf. Expressing the belief that the friendly and cooperative relations forged between the parties

and peoples of the two countries would grow stronger and develop in the future, the message sincerely wished the congress great success in its work. [Text] [Pyongyang KCNA in English 0421 GMT 20 Dec 86 SK] /12232

DPRK-GDR ACCORD SIGNED--Pyongyang 21 December (KCNA)--A plan for cultural and scientific cooperation between the governments of the Democratic People's Republic of Korea and the German Democratic Republic for 1987-1990 was signed in Berlin on 17 December. It was signed by Pak Yong-chan, Korean ambassador to the GDR, and Herbert Krolikowski, secretary of state for the GDR Ministry of Foreign Affairs and its first deputy minister. [Text] [Pyongyang KCNA in English 0800 GMT 21 Dec 86 SK] /12232

DPRK'S 1986 FOREIGN CONTACTS--Pyongyang 21 December (XINHUA)--The friendly relations between the Korean people and the peoples of the socialist and non-aligned countries are seen consolidated in 1986, said the Korean newspaper NODONG SINMUN today. The article attributed the achievements to the country's "correct foreign policy and energetic diplomatic activities." In an article on the country's relations with other countries in 1986, the paper listed Chinese President Li Xiannian's visit to this country in October, saying Li's visit demonstrated the firm determination of the peoples of the two countries to further develop their long-standing friendship. The article also listed the visits to Korea this year by leaders of Cuba, Yugoslavia, Poland, Democratic Germany, Mongolia, Senegal, Mali, Nicaragua, Nepal, and Benin. These visits, the article said, have resulted in a new development in the relations between the Democratic People's Republic of Korea and the developing and Third World countries. Referring to President Kim Il-song's October visit to Moscow, the second over the past 2 years, the article described it as "an important event in the development of the relations between Korea and the Soviet Union." The article said that the peoples of the world have voiced in 1986 their warm support to DPRK's constructive proposals for the realization of peaceful reunification of the North and South of Korea through dialogue and consultations. [Text] [Beijing XINHUA in English 0836 GMT 21 Dec 86 OW] /12232

MALIAN PRIME MINISTER--Pyongyang 22 December (KCNA)--Mamadou Dembele, prime minister of the government of the Republic of Mali, met DPRK Ambassador to his country Pak Chun-kil on 13 December. The prime minister referred to the development of friendly relations between Mali and Korea and supported the struggle of the Workers' Party of Korea for the reunification of the country. He said: the respected leader President Kim Il-song is the great man who is wisely leading the Korean people. He has paid a great attention not only to the happiness of the Korean people but also to the future of the peoples of the Third World countries. The conversation took place in a friendly atmosphere. [Text] [Pyongyang KCNA in English 1513 GMT 22 Dec 86 SK] /12232

SRV'S DEFENSE MINISTER--Pyongyang 22 December (KCNA)--Vice Marshal of the Korean People's Army O Chin-u, minister of People's Armed Forces, sent a message of greetings to General Van Tien Dung, minister of national defence of the Socialist Republic of Vietnam, on the 42nd anniversary of the founding of the Vietnamese People's Army. The message expressed the belief that the friendly relations between the peoples and armies of the two countries would be strengthened and developed on the basis of the principle of Marxism-Leninism and proletarian internationalism. [Text] [Pyongyang KCNA in English 0457 GMT 22 Dec 86 SK] /12232

THAI PARTY DELEGATION--Pyongyang 22 December (KCNA)--Kang Hui-won, alternate member of the Political Bureau of the Central Committee of the Workers' Party of Korea, chief secretary of the Pyongyang Municipal Party Committee and chairman of the Pyongyang Municipal People's Committee, on 21 December met and had a freindly talk with the delegation of the Thai Democratic Party headed by Viraphun Khongsawathkiat [spelling as received] at the Mansudae Assembly Hall. [Text] [Pyongyang KCNA in English 0507 GMT 22 Dec 86 SK] /12232

DPRK-BULGARIA ACCORD--Pyongyang 23 December (KCNA)--A plan for intergovernmental scientific and technological cooperation between the Democratic People's Republic of Korea and the Bulgarian People's Republic in 1987-1990 was signed in Sofia on 19 December. It was signed by Yi Cha-pang, chairman of the State Commission of Science and Technology of Korea, and Stoyan Markov, first vice-chairman of the Council of Ministers and Chairman of the State Research and Technique Committee of Bulgaria. [Text] [Pyongyang KCNA in English 0414 GMT 23 Dec 86 SK] /12232

DPRK-PRC SCIENTIFIC COOPERATION--Beijing 22 December (KCNA)--A working plan for scientific cooperation in 1987-88 between the Academies of Sciences of Korea and China was signed in Beijing on 22 December. It was signed by Vice-President of the Academy of Sciences Pak Yong-hyop, who is heading a delegation of the academy on a visit to China and Vice-President of the Chinese Academy of Sciences Sun Honglie. [Text] [Pyongyang KCNA in English 1001 GMT 24 Dec 86 SK] /12232

NETHERLANDS COMMUNIST PARTY CHAIRMAN--Pyongyang 24 December (KCNA)--The Central committee of the Workers' Party of Korea sent a message of greetings on 23 December to Elli Izeboud on his reelection as chairman of the Central Committee of the Communist Party of the Netherlands. The message said that the Central Committee of the Workers' Party of Korea wished Chairman Elli Izeboud [word indistinct] success in his work to implement the decisions of the 30th Congress of the Communist Party of the Netherlands. [Text] [Pyongyang KCNA in English 0437 GMT 24 Dec 86 SK] /12232

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